THE IMPACT OF GOOD GOVERNANCE ON DEVELOPMENT AND ITS
STATUS IN AFGHANISTAN

A Dissertation Submitted in partial fulfilment of the requirement for the degree of
Master of Arts in Governance and Development (MAGD)

SUBMITTED

BY

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BU ID:17172016
MAGD 8th Batch

Master of Arts in Governance and Development Program 2017-2018

September, 2019

BRAC INSTITUTE OF GOVERNANCE & DEVELOPMENT
BRAC University, Dhaka, Bangladesh
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BRAC University, Dhaka, Bangladesh
September, 2019
Declaration

I hereby declare that the impact of good governance on development and its status in Afghanistan work is carried out by me and I am the sole author of this thesis, that all the sources which I have used have been indicated and acknowledged by of complete references.

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DEDICATION

I dedicate this thesis to my Father Haji Abdul Qayum.
Acknowledgement

At the very outset, my sincere gratitude goes to Almighty Allah for giving me the strength, determination and courage to study masters in Governance and development and to complete this dissertation, My appreciation also goes to my loveable family special to my Father Haji Abdul Qayum, My mom, my wife and my younger Brother Azatullah Skandari whose moral and material support enabled me to successfully conduct and complete this study.

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Abstract

This study focused on the interrelationship between good governance and the development of a nation. The main motivation is to determine the impact of good governance on the economic, social and political development of Afghanistan. This study has adopted quantitative research methodology. A sample of 100 participants is used to collect the data for the present study. This study collected primary data using a standard survey questionnaire and secondary data from external sources, websites and journals. The study results revealed that there is a positive significant relationship between strategic alliance and strategic planning, Risk management, Audit, Fraud control, quality performance, financial resourcing, human resource management and Infrastructure and facilities. The results suggested that since 2001, there has been an unsteady rise and fall in the effectiveness of these factors leading to a failed governance and poor development. From the primary data analysis, it can be concluded that more attention should be paid by the ruling government in developing the nation through ameliorating the standards of functionality of the government organizations and meeting the basic need of the citizens especially by forming a ‘no-violence’ environment within the nation.
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CHAPTER I: INTRODUCTION

1.1 Background of the Study

Governance refers to a process whereby elements in society wield power, authority and influence and enact policies and decisions concerning public life and social upliftment (USAID, 2015). The key to good governance is the constant monitoring of the implementation of the established policies and the balancing of power among the members. In a nation, the voice of the citizens matters the most. Empowering the voice of the population and meeting their needs mark the quality of governance. A good government is that which practices good governance and this has been defined by Healey and Robinson (1992) as, “It implies a high level of organizational effectiveness in relation to policy formulation and the policies actually pursued, especially in the conduct of economic policy and its contribution to growth, stability and popular welfare. Good government also implies accountability, transparency, participation, openness and the rule of law. It does not necessarily presuppose a value judgment, for example, a healthy respect for civil and political liberties, although good government tends to be a prerequisite for political legitimacy”. The role of governance in determining the development of a nation is extremely significant because a developed nation is that which meets the requirements of the present without majorly affecting the resources that the future generations can avail.

The term governance and development has gained prominence in international development vocabulary late in the 80’s and early 90’s and has been researched upon in different countries with varying economic, social and political backgrounds. Rene Kemp writes about the popularity of the term governance as, “encompassed a broad set of factors that were increasingly important and insufficiently recognised in conventional thinking and because it encouraged a more integrated understanding of how these factors were, or should be linked” (Kemp et al., 2005). The concept of good governance was instigated initially in societies with a democratic tradition and background (Hakimian & Alami, 2013).

Good governance came as an emerging factor after the end of Cold War concerning it effect on development. Good Governance sets the apt and prominent standard for the efforts taken in reforming the political conditions across the globe. Even though over the past one and a
half decade, the term good governance has been appearing frequently as a recommendation for the development policies and practical implementation; the World Bank Group has assessed and stated to Global South (2016: 32) that 702.1 million people are still living under USD 1.90 in a day and also claims that the poverty rate still remains high and intense. This instinctively gives rise to question the efficiency of good governance.

1.2 Problem Statement

Developing countries in Asia, Africa and Latin America, often referred to as the 'Third World', have been victims of poor governance for decades, leading to a significant deterioration in the development situation in these States. Afghanistan is not an exception, most of the government based legal offices of Afghanistan entirely depend on the political decisions and function within an inefficient judicial system (Kressirer & Schneider, 2017). Unlike most of the other developing countries in Asia, democracy is not practiced with transparency in Afghanistan; depriving the power of the nation to question the ruling government body. Corruption is on the peak within the party that holds the decision-making authority in Afghanistan (UNODC, 2012). Thus, the nation lacks the ability to make the significant decisions transparently. In many cases it has been observed that the Military operations in Afghanistan hold the upper and at time of crisis which weakens the long-term stability of the government (Nijat, 2014). Corruption and lack of transparency pose major threats to the overall development of the nation. The adoption of a more stable and refined governance is the only hope for the further development of the socio-economic status of Afghanistan.

A gap between reform and the prospective for implementation is endeavoured by noticeable impression of Western legitimate establishments on post-2001 legal reform. Ineffective administrative and enforcement capability has reduced trust in the present body of laws and guidelines which, when executed might essentially add to successful government. In spite of the fact that the constitution grants designation of power to neighbourhood organization units, expenditure, budget, sub-national planning, and the ability of decision-making are seriously confined by the Afghan government's unified structure. Thus, effective implementation of reform at the local level is hampered. Furthermore, Afghanistan perceived various accomplishments in the legitimate, plan and execution fronts, with voyage gaining chances for development in the
year 2013. However difficulties remain, making change more persistently (Nijat, 2014). This study aims to focus on the state of good governance in Afghanistan and its impact on the development of the country.

1.3 Research Aims and Objectives

The aim of the study is to analyse the impact of good governance on development in Afghanistan. The objectives of this study are to:

i. Analyse the practices of good governance in Afghanistan;

ii. Examine the dimensions of good governance in Afghanistan;

iii. Assess the status of good governance and its challenges in Afghanistan; and,

iv. Identify the factors that influence good governance and development in Afghanistan.

1.4 Research Questions

This study investigates the following research questions:

i. What are the practices of good governance in Afghanistan?

ii. What are the dimensions of good governance in Afghanistan?

iii. What is status of good governance and its challenges in Afghanistan?

iv. What are the factors that influence good governance and development in Afghanistan?

1.5 Scope and Significance of the Research

This study focuses on the interrelationship between good governance and the development of a nation. The main motivation is to determine the impact of good governance on the economic, social and political development of Afghanistan. Good governance has a notable influence on countries that suffers from major fragmentation within the society caused by
constant political or social conflicts. This study aims to contribute to the philosophical and theoretical level of understanding the impacts of the implementation of good governance on the national development of Afghanistan or to what extent it will lead to future progressivity in the governance of the country influencing its social and political development.

1.6 OperationalDefinitions

Governance

The United Nations Development Programme (UNDP) defines governance as “the totality of the exercise of authority in the management of a country’s affairs, comprising the complex mechanisms, processes and institutions through which citizens and groups articulate their legal rights and mediate their differences” (Grindle, 2007).

Good governance

According to EtoungeManguella “Good governance implies presence of rule of law, safeguard of human rights, and existence of honest and efficient government, accountability, transparency, predictability and openness” (Landell-Mills & Serageldin, 1991)

Development

Michael Paul Todaro, defines development as, “Development is not purely an economic phenomenon but rather a multidimensional process involving reorganization and reorientation of entire economic and social system. Development is process of improving the quality of all human lives with three equally important aspects.” (Uuooi data, 2010)

1.7 Limitations of the Study

One of the limitations of the study stem from the lack of available literature on the political conditions and political background of Afghanistan, as well as the lack of details of the growth of its development with accurate scale. Given the lack of transparency with regard to the social issues of the nation, access to information from individuals as well as from existing literature is a major challenge.
1.8 Chapter Scheme

Chapter 1 contains a brief introduction explaining the subject of research, the background that stimulated the study, its importance and the main challenges. Chapter 2 consists of a literature review on good governance and development, Afghanistan’s current status on good governance and development and the contributing factors. Chapter 3 explains research methodology, tools and techniques adopted for the study. Chapter 4 provides the element of good governance based on the views of the United Nations Development Programme (UNDP). Chapter 5 presents the findings and analysis of the study. The last Chapter summarises the findings and provided recommendations for further study.
CHAPTER II: LITERATURE REVIEW

2.1 Introduction

The issue of good governance dominated the international discussion which concerned the development for providing the international assistance to developing countries (Wohlmuth, 1999). Good governance being the vital precondition for improvement and the examinations directed somewhere else on governance on advancement. This chapter includes a review of the literature of similar research conducted in the past.

2.2 Concept of Economic growth to Sustainable Development

From 1950-1980, the predominant way to deal with advancement was upheld with the introduction for expanding the economic growth (Khan, 2007). After the period of 2nd World War the developed nations focussed to keep up the economic growth and developing nations focused on their consideration on accomplishing the objective of GDP which may, in light of the fact that it was accepted, precisely result in the following dimension of personal satisfaction (Wang et al., 2008). Researchers significantly identified the varied balance between development and improvement and are gradually grasping these changes. Banik and Yoonus (2012) opines that the economic growth could be a univariate origination which is solely estimated on the increase of the GDP per capita and further opines that it is far smaller idea when contrasted with the occasion that is viewed as a variable idea intended for accomplishing personal satisfaction. Stiglitz (1998) moreover sees the significance of GDP but highlights the need to receive a more extensive advancement, and he further emphasises that GDP per capita could be the initiation and can never be the completion to progress of living standard, wellbeing education and thereby causing decrease in poverty. Again, Leichtová et al. (2012) outlines that the increase in GDP per capita is not concerning the genuine conditions within the lives of the people.

Soubbotina (2004) trusts that the sustainable economic growth in developing nations is vital for lessening poverty and expanding the nature of living, anyway moreover contends that economic growth isn't sufficient. Nayyar (2006) demonstrates that the second 50% of the twentieth century has been portrayed by momentous economic progress within the world bolstered a noteworthy dimension of development of overall GDP. A few researchers caution
that notwithstanding the significant economic growth and industrialisation of the numerous
nations, the measure of poverty keeps on broadening (Minujin et al., 2002; Plewes et al., 1996).
In accordance with Mitlin (1992), economic growth doesn't add to enhancement of the main part
of populace. For this case is that the demonstrated reality that a single percentage of the most
extravagant populace has the indistinguishable amount of income on the grounds that the least
fortunate fifty seven of the populace (De La Barra, 2006). Ayoub (2011) warns that discrimination
at the highest level harms economic growth, noting that income equity is an essential
precondition for sustainable improvement.

The systematization of the practice of sustainable advancement appears with the
reception of the report Our Common Future in 1987, called the Brundtland Report by the World
Commission on environment and Development of the United Nations. This report gave the
preeminent distinguished meaning of feasible advancement, where the improvement that is in to
meeting the present needs while not bargaining the adaptability of future to fulfil their very own
requirements (UNWCED, 1987). The possibility of reasonable advancement, set on the global
motivation, wide referenced, condemned, accused of being experimentally unsuitable and
politically confused, has had a noteworthy and enduring effect on the occasion plan within the
most recent decades, worldwide (Kardos, 2012).

As indicated by Yamaguchi (2003), sustainable advancement speaks to the belief system
of improvement strategies that require to determine past hurtful consequences for advancement.
Rees (2002) points to the developing analysis of convention hypothesis that is intently connected
with the neoliberal worldview wherever the economy is viewed as partner independent, self-
moving and free framework. Having as a top priority that the model of good governance could be
a child of neoliberal belief system, there is a developing concern in regards to the opportunity
this can ensured and adjusted way to deal with entirely unexpected and extremely heterogeneous
estimations of sustainable advancement. Amid this respect, Mitlin (1992) cautions that there's next
to no concession to an approach to win sustainable advancement objectives
2.3 Concept of Good Governance

2.3.1 Good governance in Public sector

Governance yet popular hypotheses have enlarged the implication, that have practical experience in an outsized type of instruments intended to change and channel the conduct of individual and other participants (Loorbach, 2007; Pierre & Peters, 2000; Adger & Jordan, 2009). As conversed by Lafferty (2002), governance has emerged to point the totality of components and instruments out there for impacting social alteration in predetermined ways.

2.3.2 Importance of Good Governance

Good governance orchestrated the motivation moving from the Millennium Development Goals (MDGs) to the sustainable Development Goals (SDGs) plan that recognized the key job of governance in accomplishing the SDGs by 2030. Besides, the job of good governance is of even a great deal of hugeness once it includes human services advancement essentially on account of the very truth that it guarantees compelling and prudent use of open assets dispensed for the wellbeing area in particular (Dadgar & Nazari, 2016). According to this, the bad governance causes monetary mutilation inclusive of the ecological harms. Also, a few examinations contend that the public sector officers are boosting their personal responsibility (Gilpin, 2011; Shaanan, 2017). This could be interpreted as another part of disappointment and failure on the part of the government. A few experts of environment counsel that the structure and furthermore the sort of the type of government are determinant factors for the natural situation. For instance, dictator governments donot offer public goodssuch as control of pollutio (AshrafiPour & Barshod, 2012; Bryant et al., 1997; Garcia et al., 2017; Leitão, 2010). Many developing nations go before the natural procedure process at the estimation of ecological devastation. Consequently, through the extension and advancement in these nations, the natural conditions fall apart (Morita & Zaelke, 2007; Michel, 2017; Yabuta & Nakamura, 2003).

Grindle (2010) conjointly indicates the investigation led by the World Bank showing fundamental verification that good governance is imperative for sustainable advancement estimated by per capita income. Nonetheless, Rodrik (2008) to the examples of bound nations like China, Vietnam and Cambodia amid which the economic growth is plainly appeared
disregarding the deficiency of good governance. Enquiry directed by Khan (Khan, 2007) shows an extremely powerless positive connection between the standard of governance and in this way the economic growth. This author contends that the positive connection between these 2 factors is mutually dependent due to the consideration within the examination test of a larger than average assortment of developed nations that have a high cost of pointers of good governance and in this way most of developing nations that have low dimensions of the economic growth and markers of good governance.

2.3.3 Dimension of Good Governance

Governance (a term that wound up elegant within the mid-1990s) alludes to answerability in policymaking and execution of arrangements (counting ecological handling). It conjointly centres on the association between common society and government, between the rulers and in this manner the ruled so on. Advancing brilliant governance in a few cases might be a vital condition for improvement (McCarney et al., 1995; Sen, 1999) with regards to the World Bank (2017), dimensions of good governance include: 1. Government Effectiveness, 2. Regulatory quality, 3. Rule of Law, 4. Voice and Accountability, 5. Political stability & no violence 6. Control of Corruption.

2.4 Factors that influences the Governance and Development

A large number of hypothetical studies and investigations are conducted to confirming the connection between good governance and economic growth. It is commonly accepted that good governance is one among the most factors, not only for the equitable advancement of the nation; moreover it is conjointly an essential considerable factor for the sustainable monetary improvement.

2.4.1 Developing Countries Perspective

Murshed and Ahmed (2017) broke down each hypothetically and through exact perception, the consequences of different governance pointers on the wellbeing qualities crosswise over chose lower-centre pay nations crosswise over South and geographic district. The paper fused pertinent yearly data from 2000 to 2016 and thought of an arrangement of condition
amid which key wellbeing markers were communicated as elements of 5 essential pointers of governance. Three-Stage factual strategy (3SLS) board data estimation devices were acclimated check the quality of the discoveries. The outcomes ensure that practically the majority of the governance markers are viable in impacting the wellbeing remaining within the board and measurable connections, a great deal of or less, certify to the form the earlier speculations that were inbuilt lightweight of financial hypotheses. Furthermore, the creators conjointly see that poor governance decreases the affectivity of wellbeing consumption as far as accomplishing the good wellbeing results. These suggest that good governance could be a key issue once it includes open governance conveyances, especially in connectedness to the wellbeing area. As per the outcomes, it is frequently expected that advancing good governance among the economy will cause the accomplishment of overall wellbeing and prosperity.

Asongu and Nwachukwu (2017) examined the effect of intimidation on governance in fifty three African nations for the measure of 1998-2012. The discoveries of the examination demonstrated that local, worldwide, hazy, and absolute compulsion along adversely influenced political governance and its constituents. Furthermore, confirmation of negative relationship is thinly obvious in related with monetary governance. However, there was absence of evidence to substantiate that there's a major connection among compulsion and institutional governance. Inquisitively, contrasted with worldwide pressure, wherever fear mongering influenced the political, financial and general governance.

Joshi et al. (2015) developed guess model to anticipate the long keep running of domestic governance during that time 2060 for 183 nations. The conjecture foreseen that global gains in security, limit, and incorporation, and opportune and viable intercession reinforce governance.

There are numerous factors and lists for estimation of governance. (Hall & Jones, 1999; Knack & Keefer, 1995; Acemoglu et al., 2001a; Glaeser et al., 2004) have utilized political hazard record and exchange receptiveness (Sachs & Warner, 1995). Greenback and Kraay (Dollar & Kraay, 2003; Kaufmann et al., 2002), have utilized institutional quality file. In venture with (Deacon, 1999; Matsuo, 1998; Rentz, 1998; Rose, 1990), good governance and foundations do have apt job in diminishing contamination. (Kaufmann et al., 1998; Arrow et al., 1995;
Grossman & Krueger, 1995; Panayotou, 1997) contended that there is a major connection between natural quality at one hand and foundations at the inverse. So also, a few elements of governance do have sway on carbon dioxide dissemination. Halkos and Tzermes (2013) demonstrated a nonlinear connection between governance records at one hand and carbon dioxide dissemination at the inverse. Bolstered Kerekes (2011) sustainable rights do have a negative association with soil obliteration. (Mugableh, 2013; Akpan & Abang, 2014) demonstrated a positive connection between vitality utilization and total national output on carbon dioxide dispersion.

In venture with (Heidari et al., 2015; Al-Mulali et al., 2015; Arouri et al., 2014; Begum et al., 2015) economic growth would trigger carbon dioxide dissemination. Jalalian and Pajooyan (2009) have demonstrated that unpractised duty has influenced carbon dioxide for OECD nations. In venture with Fotros and Barzegar (2013) thinks about economic growth has gathered the contamination. (Shahab & Sadrabadi, 2014; Behboodi & Barghi, 2014) have incontestable positive connection between government polices of Iran and Syria and furthermore the expansion of contamination. Dadgar and Nazari (2015) have 54 Dadgar and Nazari, Iranian Journal of Economic Studies, 5(1) 2016, 49-63 attempted a negative connection between government guideline of MENA nations and furthermore the ecological contamination in nations being referred to. Nazari et al. (2015) have tried the variables behind Iranian setting contamination. At long last, Alizade and Bayat (2016) have tried the effect of good governance on carbon dioxide gas emanations in center pay nations for the 2002-2011 periods.

2.5 Afghanistan

The Afghan setting is one among limited statehood. Afghanistan has been spoken as a ‘modern protectorate’, within the feeling that outside on-screen characters have compelling governance over components of its domain or approach regions (Börzel & Risse, 2010). With a populace of 32.5 million people and a supposed estimation of generally $19 billion of every 2015, Afghanistan is one among the most unfortunate nations within the Central Asian locale (The World Bank, 22018). A measurable twenty-seven of Afghans approach safe consumable and exclusively fifth to sufficient sanitation. The Afghan government appraises that about thirtieth of Afghans approach power from matrix based power, smaller scale hydro, or sun
powered exhibit stations, with some major urban focuses, similar to Kabul and Mazar-e-Sharif, exclusively as of late getting a charge out of to a great extent continuous power offer for the essential time in decades (The World Bank, 2018).

As per Ghani and Lockhart (2009), a sovereign state should be equipped for playing, generally unaided, ten centre capacities: the establishment and support of the standard of law; the upkeep of security and imposing business model of the genuine utilization of power, against every outer and inner dangers and individuals who infringe upon the law; body the executives, involving among various things a legitimacy based government gear and authority that is dependable among its own structures (upward responsibility) and, significantly, to the voters that it's intended to serve (descending responsibility); the sound governance of open fund; interest in training (especially talented and better instruction) and training and general wellbeing; the usage of approaches that are socially just as far as sexual orientation, ethnicity, race, class, spatial area and religion; the accessibility of satisfactory physical foundation to all or any components of the nation; the arrangement of a free enterprise economy that is liable to balanced governance and wherever the jobs of the state and furthermore the market are resolved predictable with realistic as against ideologic contemplations; the sustainable the executives of state resources, outstandingly regular assets, within the best advantages all things considered and furthermore the assurance of the lodge (Chomsky, 2012; Ostrom, 1990)and compelling open obtaining (Blunt et al., 2015).

It is clear that governance duty lies at the guts of state power. In order to be prepared to set up their authenticity within the eyes of voters, governments ought to be prepared to show that they're unmistakably liable of and may oversee adequately and with effectiveness their very own undertakings which they are mindful to subject requests. This read is well diagrammatic within the ordinary information of improvement help, that holds that opportune and great quality governance conveyance and furthermore the descending obligation whereupon this could be generally essentially based are among the premier imperative elements of good governments and natural procedure states (e.g.,(Béné & Neiland, 2006; Blunt & Rondinelli, 1997; Cammack, 2007; Yilmaz et al., 2008).
In demolished states like Islamic State of Afghanistan, it's no decreased anyway plainly definitely more troublesome than in elective spots for the state to be believed to do all that it will to create for the insurance of its voters; to keep up reasonable peace; and to convey governances to residents that they have and wish Impediments to such aspiration that are natural for Afghanistan epitomize, first, the nation's land area and its association with the political theory interests of provincial and world powers, that has been the explanation for drawn-out clash, intrusion and occupation, and flimsiness; second, profound ethnic partitions; and third, the nation's huge and ungracious bit of ground. Thus, monster swathes of the nation to the present day don't appear to be underneath the governance of the state, and warlords and a couple of governors audaciously ridicule state specialist (Rubin, 2013). Afghanistan's sway has been undermined extra by the state's endless shortcoming and its genuine reliance on a progression of outside forces for military, cash and 'advancement' helps. this blend of things has been utilized by the Taleban and others to show Afghanistan as a 'toady express that is unequipped for physical effort the board over its very own domain or of giving security and fundamental governances to its people, that is, an express that is sovereign in name just' (Blunt et al., 2015). From this officially high benchmark of delicacy and risk, the weights on state sway in Afghanistan climbed forcefully in 2014 and 2015. Genuine security episodes were fourfold higher in 2014 than in 2013 and regular citizen setbacks and hostility climbed thus (Amnesty International, 2014), an upward pattern that proceeded into 2015 (TOLOnews, 2015). President Ghani was formally introduced in Sept 2014, anyway exclusively when intercession from the USA and its Secretary of State, John Kerry, who handled partner understanding among him and his principle rival, Abdullah. The understanding depended on the creation for Mr Abdullah of a second position at the pinnacle of government, that of boss executive. At the indistinguishable time, outside troop withdrawals from the nation quickened. Also, donor subsidizing and government incomes wilted extensively. A few examinations are directed somewhere else on the effect of GG on fluctuated sorts of improvement.

Dadgara and Nazari (2016)analysed the effect of good governanceon the ecological contamination in Iran and its rivals (South West Asian nations) over the measure of 2002-2015. The discoveries demonstrated that governance of debasement, guideline of law, nature of law and furthermore the legislature impactivenesshas essential impact on contamination.
Notwithstanding, economic growth and monetary transparency demonstrated imperative connection.

Hanekom and Luiz(2017) led a subjective contextual investigation style to investigate the cooperation among MNEs and open governance foundations in Afghanistan. In explicit the investigation looked at the effect of MNEs on setting and furthermore the instrument through MNEs has connection with outside governance procedures and inspiration factors for the mode. The discoveries demonstrated that MNEs in Islamic State of Afghanistan are profoundly disappeared with institutional shortcoming that contribute towards greater vulnerability and affect their conduct; anyway MNEs even have an immediate relating foundation. More profound embeddedness within the local markets conveys greater introduction to hazard bringing about a ton of and more extensive commitment in governance procedures and cross-segment associations in order to impact these issues.

A vast literature recognizes that such independent foundations are normally very compelling in giving open product locally (Leeson & Coyne, 2012; Leeson, 2007, 2014, Ostrom, 2005, 1990). For example, old frameworks of governance driven by boss could advance financial improvement, gave casual foundations oblige them (Acemoglu et al., 2001b, 2012). In certain things, there could even be edges from the justification of standard gatherings (Baldwin, 2013; Díaz-Cayeros et al., 2014). Be that as it may, others understand that standard sorts of governance are normally conflicting with the worry of a contemporary state (Migdal, 2001; Scott, 1992), attached to support arranges that undermine majority rules system (Joireman, 2008; Tripp, 2001), or that standard and old power agents undermine local representation of groups all through endeavours to assemble networks (Sheely, 2015). In addition, casual foundations could fortify basic auxiliary distinction (Gomes, 2015). Subsequently, while the legitimization of standard chambers is a crucial decision to consider, the outcomes are detached from self-evident. Amid this specific circumstance, the examination by Jochem et al. (2016) structured a study explore in Islamic State of Afghanistan that thinks about the aftereffects of races to discover town gatherings to each different. The examination discoveries unconcealed that races, and to a lesser degree legitimization of network advancement chambers, improve support for majority rule government, while defence of standard gatherings improves support for compromise with the
Taliban. Also, the aftereffects of transplant decisions are dependent on social standards and foundations security of vote based system.

Goodhand et al. (2016) referenced some of the best choices of the Afghan case that gave a landscape to the 2014 race: a profoundly separated society, an incredibly mobilized and intrusive global nearness, and a background marked by defective races. This dialog helps contextualize the clearly specialized inquiries regarding protected style, constituent frameworks and furthermore the association and viewing of races. It's contended that the quest for decisions and democratization endeavours a great deal of for the most part, in an exceedingly setting of developing uncertainty and political discontinuity, have had causeless and unreasonable impacts.

Complainers guarantee that absence of ability among Afghan common pioneers undermines the governance's authenticity, making open doors for the revolt. Amid this respect, Englehart and Grant (2015) through their examination demonstrated that commonplace governors will in general call attention to characteristics that those least difficult at dissuading radical assaults identified with "warlords" rather than ability. Creators amid this examination directed decentralization that progressively may tackle these qualities to support governance.

Shukla (2018) inspected effect of governance mediations to higher wellbeing framework execution misuse semi test ponder led in Afghanistan. The examination looked at the wellbeing framework execution markers between sixteen mediation territories and eighteen neutrality regions utilizing a distinction in-contrasts investigation to draw illusion. The mediation comprised of governance activity concocting, execution of the governance activity set up, and self-evaluation of governance execution previously and once the intercession. The intercession had a measurably and much fundamental effect on six pointers. In particular, the intercession overstated an area's rate of patient division visits per individual by a mean of eighteen offer focuses and accomplishments in Penta three vaccination, antepartum visits, baby blues visits, T.B. Case recognition, and office conveyance by 17, 14, 12, 11, and 5 share focuses, severally (P &lt; 0.01). No effect was recognized on lockjaw antigen organization to pregnant moms and T.B. Fix; a touch negative effect was found in network specialist home visits and new birth avoidance clients.
Asongu et al (2016) examined the effect of monetary guide on governance in order to build the contention on remote guide and to confirm basic positions from Moyo's 'Dead Aid', Collier's 'Last Billion' and Eubank's 'Somaliland'. The observational evidence is predicated on refreshed information from fifty-two African nations for the sum 1996–2010. Partner degree endogeneity strong instrumental variable Two-Stage-Least Squares experimental procedure is used. The discoveries uncover that advancement help decays financial (guideline quality and government adequacy) and institutional (defilement control and principle of law) governance, anyway has partner degree inconsequential outcome on (political steadiness, voice and responsibility) governance. While, these discoveries are for the most part as per Moyo and pitman on feeble governance, they neither guarantee the Eubank position on political governance nor the Asongu position on the guide debasement nexus in an exceedingly discourse with Okada and Samreth. The work of financial guide as partner degree instrument to impact the race and substitution of political pioneers in Africa could have irrelevant outcomes. It's a great opportunity to disentangle the second disaster of financial guide which business analysts and strategy producers start re-examining the models and hypotheses on that remote guide is utilized to impact monetary, institutional and political governance in beneficiary nations.

### 2.6 Summary

At the outset, the paper delves deep into literature pertaining to good governance that has been published by researchers in the past. The paper commences with concepts associated with economic growth and sustainable development. From the review of the literature, it is clear that sustainable economic growth within nations that are still in the developmental phase can be significant in terms of poverty reduction and widening the standard of living. Several authors also posit that good governance is imperative and it has facilitated the shift from millennium development goals to sustainable development goals. Poor governance practices would be detrimental to the overall economy of the nation and it can hamper its growth. Good governance takes into its ambit the tenets of answerability within policy-making procedures and implementing arrangements. It revolves in tandem with the link between the government in a nation and the society on the whole. There are several theories that have postulated the association between economic growth and good governance. It has been widely and popularly accepted that good governance is one out of the several factors not simply because of its
contribution to equitable progress of the nation but also owing to the fact that it is conjointly necessary for making economic improvements in a sustainable manner. From the perspective of Afghanistan, a nation that has experienced immense turmoil and with a system of governance now in place, it is all the more necessary for the nation to adopt good governance practices. The government now needs to ensure and project an authentic image to its citizens and for that, they are required to be prepared to highlight that they, as the government is also liable and answerable to its citizens. The literature draws parallel with the regime of governance in other similar nations like Iran and indicates how adopting good governance practices can be helpful in their economic growth which is sustainable.
CHAPTER III: RESEARCH METHODOLOGY

3.1 Introduction

Research methodology is a process which seeks to describe the methods, techniques, research instruments and measures used to attain the research objectives successfully (Mouton, 2001). The aim of the present research is to examine the impact of good governance on development in Afghanistan. This chapter describes different types of research design, tools and systems adopted for the study. It further deliberates the research approaches, methodological epistemologies and social choice research. The research is more focused on governance and its impact and thus this chapter presents the empirical methods and research strategy in general and also emphasis on particular techniques to achieve the research objectives. Furthermore, this chapter also explains the methods adopted in this study to collect data from participants and the techniques used to analyse the collected data.

3.2 Research Design

A methodological framework used to address the aim of the research is called as research design. Research design may be of experimental, descriptive, interpretive, exploratory or explanatory purpose. Moreover, selecting a research design for a research depends upon its nature and its problem. In this case, descriptive research design was found to be more suitable for the present study as this study mainly focused on the impact of good governance on its development. Descriptive research design can accommodate different variables as it is unique in the number of variables utilised (Michael Crotty, 1998). Thus, this research design is adopted for the study.

3.3 Research Philosophy

A uniqueness that is often made concerning research philosophies is between interpretivism and positivism (Bryman & Bell, 2015). An essential view of positivist approach is that researchers can take a ‘scientific’ perception while witnessing social behaviour (Travers, 2001). However, positivist philosophy is based on deductive approach and numbers of intentions are produced for testing, with empirical verification (Babbie, 2016). In contrast, interpretivism
philosophy directs technique of measuring the truth using phenomena and is based on inductive approach. In general, for the interpretivism philosophy, the opinion of the respondents is collected in subjective nature. In this research, the impact of good governance on development is examined using positivist philosophy.

3.4 Research Approach

Research approach is generally divided into deductive and inductive approach. Deductive approach usually presents a conventional theory and then later relates it by collecting data to agree or disagree the theory. In contrary, an inductive approach first set up the procedures and processes for collecting data and then presents a theory based on the data that are collected. Furthermore, Bryman and Bell (2011) emphasis that for qualitative research design, an inductive approach can be applied and for quantitative research design, an deductive approach can be applied. Thus, the present study adopts deductive approach as it attempts to examine the impact of good governance on development. This study has intended to be more specific on good governance and development. Using the deductive approach, the impact of good governance on development could be examined from the existing data that have been implemented in this regard.

3.5 Sampling

Depending upon four demands such as the “what needs to be examined by the researcher, why the researcher needs to examine, what source did the researcher needs to examine, how will the results be utilised”, the sampling techniques are framed (Bryman, 2012). There are different types of sampling method used in researches to ensure the efficiency level of data. All the sampling method encompasses into probability sampling technique and non-probability sampling technique (Taherdoost, 2016). In the present study, simple random sampling is used to select the sample participants for the study as the quantitative research design is used in the study. This sampling method is related with the minimum amount of sampling bias when compared to other sampling methods(Easterby-Smith et al., 2012). A sample of 100 participants is used to collect the data for the present study.
3.6 Data Collection Methods

Collection of data is generally based on the sources of data collection, which includes primary and secondary sources (Parveen & Showkat, 2017). Since, this research is based on good governance and its impact on development; data are collected from both the primary and secondary sources. Valuable evidence to this research is created as the data for the research is collected from both the sources. This study collected primary data using a standard survey questionnaire and secondary data from externalsources, websites and journals.

3.7 Data Analysis Tools and Techniques

The collected data via questionnaires and secondary sources were analysed using SPSS software. The data collected from the participants is typed into an Excel sheet and then transformed to the SPSS software for analysing the data. Descriptive analysis is carried out to describe the collected data and to enable standard deviations, mean and rankings. Furthermore, to examine the relationship between the independent and dependent variables, correlation analysis is adopted and to analyse the impact of those variables, regression analysis is adopted.

3.8 Ethical Considerations

This study will adhere to the ethical committee rules and regulations by ensuring informed consent, confidentiality, openness, rights to withdraw and transparency (Denzin & Lincoln, 2005). Initially, approval from the ethical committee was obtained as per the university norms. Furthermore, the participants who are taking part in the survey were informed regarding the research purpose. Prior to the participation in the survey, informed consent were obtained from the participants. The confidentially and anonymity of collected data were reassured to the participants.

3.9 Summary

A detailed overview of the research methodology adopted for this study is emphasized in this chapter. The reasons for choosing the design and approach of research, data collection and analytical methods are detailed in this chapter. This study has adopted a quantitative research
methodology using both primary and secondary data. The data are analysed and the results of the study are presented in Chapter 5.
CHAPTER IV: COMPONENTS OF GOOD GOVERNANCE: THEORETICAL APPROACH

4.1 Introduction

The term good governance has become an agenda for the institutions that are in the phase of development. For the past 20 years, the concept of good governance has become essential in development collaboration. This concept was evolved during the discussion on development engaged on the role of the state in the development procedure by the World Bank study (Maldonado, 2010). This chapter details the evolution of World Bank’s good governance indicators.

4.2 Components of good governance

Development of good governance can be measured by various indices and one among them is the “World Bank’s Worldwide Governance Indicators”. It consists of six indicators which are used to accumulate the perception of various stakeholders which includes residents, professionals, and businesses in developing as well in developed countries (The World Bank Group, 2019). The institutions and the researchers have understood the importance of governance on development as it is undeniable and hence they have presented the practice of quantitative governance indicators in various nations for measuring good governance. Kaufmann (1999) developed Worldwide Governance Indicators (WGI) which is the most standard, popular and largely used indicators. The following are the six indicators or components of good governance.

1. Government Effectiveness

Government effectiveness is an indicator, which illustrates how the government functions effectively in terms of fulfilling the needs and providing services for its inhabitants. Moreover, it also represents how the government faces political pressure while adopting and implementing the public policies. Kaufmann et al. (2010) states that Government Effectiveness compacts with the quality of civil servants, services, policy formulation and implementation and the reliability of the commitment to such strategies. In Afghanistan, the main focus of the government after
the Taliban fall in 2001 into reform the public administration and governance institutions to provide public goods. The country has attained substantial developments in official building, scheduling, accounting and service provision for the public. In spite of improvements and movement of dollars in the country, the Afghanistan government still fails to implement its pre-planned tasks and purposes.

2. Regulatory quality

Regulatory quality is an indicator which indicates the ability of the government to generate and execute policies. Similarly, Kaufmann et al. (2010) states regulatory quality as the “ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development”. In Afghanistan, laws and the regulatory framework of the state are rehabilitated only after the formation of new administration in 2001 and the financial regulatory reforms initiated once when Afghanistan applied for World Trade Organization (WTO) membership.

3. Rule of Law

Rule of law is an indicator which indicates how far a country is directed by law and not by individual authoritative or indiscriminate decision. It is one of the most essential features of operative, corruption-free and responsible government. In Afghanistan, Rule of law is considered to be a serious concern as this problem is associated with various dimensions of governance (WJP, 2015). The Government of Afghanistan must improve responsibility, since it influences the nature of Rule of Law directly. Moreover, the core issue in the Afghan judiciary is lack of clarity. There is no framework to announce cases for enhancing transparency and making judges responsible for their decisions. This problem of Rule of Law can only be rectified by addressing other issues of governance like eradicating corruption, people advancement, Transparency and Government responsibility.

4. Voice and Accountability

Voice and accountability is an indicator which indicates “the measure of public voice and participation in political process of a country” (Hafizullah, 2016). It specifies the contribution of public while nominating their government, freedom of association, media, and
expression. In Afghanistan, there is no habit of official individuals' interest in political, monetary and advancement planning. New constitutions of Afghanistan exemplifies that all dimensions of government will be responsible to people in general. There are still numerous difficulties in individuals' support especially in provision of public good, regardless of enhancements in accomplishing an open political framework during last decade. Choice of public and voice of people are not considered in association with national importance issues.

5. Political stability & absence of violence

The Political stability & absence of violence indicator indicates a process in which the governments are nominated, scrutinised and substitute. This indicator quantifies how far the government is defeated and disrupted by terrorism, political violence and insurgency (Sundaram & Chowdhury, 2012). Ever since the fall of the Taliban in 2001, Afghanistan has experienced democracy. Another law based constitution enrolled and authorized in 2004 which characterizes government of Afghanistan as the Centralized Presidential government. Furthermore, Afghanistan encounters insurgency and violence since 1980 to till date.

6. Control of Corruption

Control of corruption is an indicator, which indicates citizen’s respect for public wealth and property, and how far the public power is utilised for private achievement. One of the primary components and indicators of governance is corruption as it influences accountability of government, rule of law, transparency and government effectiveness. Furthermore, Afghanistan faces challenges due to absence of rule of law, weak foreign aid, public management, structured crimes, trafficking and drug production dependence (The World Bank, 2017). In corruption ranking, Afghanistan has been positioned as the most corrupted nation in the world. It was positioned 172 out of 175 in 2014 and 175 out of 177 of every 2013 by Transparency International (2015).

These six indicators help to measure the progress of good governance in the country and also unlock the growth potential of the country. Good governance is essential for a country to attain sustainable development whereas for good governance all of these fundamentals are important.
CHAPTER V: RESULTS

5.1 Secondary data analyses

This chapter analyse the secondary data collected for the study

What are the dimensions of good governance in Afghanistan?

Based on the secondary data, the data for Government effectiveness, Regulatory quality, Rule of law, Voice and accountability, Political Stability & no violence and Control of Corruption were taken from the year 2001 to 2017. For all the data natural logarithms have been taken for the analysis, in which LNGDPCAP is the dependent variable while LNGOVE, LNREQL, LNROL, LNVOA, LNPR and LNCOC are independent variables. Based on the dependent and independent variables linear regression and multiple regression which is explained in Table 2 to Table 8.

Figure 5.1: Impact of Government Effectiveness in Afghanistan from 2001 to 2017

Figure 5.1 depicts the Government effectiveness in Afghanistan from 2001 to 2017. Government effectiveness is high in 2004 (17.24) and 2003 (11.73), while low in 2002 (2.04). From 2005 to 2009 there is decline in Government effectiveness and from 2010 there is slight increase.
Figure 5.2: Impact of Regulatory Quality in Afghanistan from 2001 to 2017

Regulatory Quality

![Graph showing Regulatory Quality from 2001 to 2017]

Figure 5.2 depicts the Regulatory quality in Afghanistan from 2001 to 2017. Regulatory quality is high in 2015 (17.24) followed by 2014 (11.06), 2013 (10.90) and 2012 (10.90) and 2003 (11.73), while low in 2007 (2.91). From 2002 to 2010 there is decrease and increase in Regulatory quality.

Figure 5.3: Impact of the rule of law in Afghanistan from 2001 to 2017

Rule of Law

![Graph showing Rule of Law from 2001 to 2017]

Figure 5.3 depicts the Rule of Law in Afghanistan from 2001 to 2017. Rule of Law is high in 2016 (5.77) and 2017 (4.81), while low in 2010 and 2011 (0.47). From 2006 to 2011 there is decrease in Rule of Law from 0.48 to 0.47 and increases gradually from 2012 to 2017 that is 1.41 to 4.81.
Figure 5.4: Impact of Voice and Accountability in Afghanistan from 2001 to 2017

Figure 5.4 depicts the Voice and Accountability in Afghanistan from 2001 to 2017. Voice and Accountability is high in 2007 (18.75) and 2015 (18.72), while low in 2002 (9.45) and 2009 (9.48). From 2009 to 2017 there is gradual increase in Voice and Accountability 9.48 to 22.17.

Figure 5.5: Impact of Political Stability & no violence in Afghanistan from 2001 to 2017

Figure 5.5 depicts the Political stability & no violence in Afghanistan from 2001 to 2017. Political stability & no violence is high in 2014 (2.86) and 2005 (2.43), while low in 2009 (0.47) and 2008 (0.48). From 2008 to 2012 there is increase in Political stability & no violence while decline from 2014 to 2017.
Figure 5.6: Impact of Control of Corruption in Afghanistan from 2001 to 2017

Figure 5.6 depicts the Control of Corruption in Afghanistan from 2001 to 2017. Control of Corruption is high in 2015 (6.25) and 2004 (5.85), while low from 2009 (0.96) to 2011 (0.95). From 2008 to 2012 there is increase in Control of Corruption while decline from 2015 to 2017.

Figure 5.7: Impact of GDP growth (% annually) in Afghanistan from 2001 to 2017

Figure 5.7 reveals the GDP growth (% annually) in Afghanistan from 2001 to 2017. GDP growth is high in 2009 (21.39%) and 2010 (14.36%), while low in 2004 (1.41%) and 2015 (1.45%).
Figure 5.8: Impact of GDP Per Capita in Afghanistan from 2001 to 2017

Figure 5.8 reveals the GDP Per Capita in Afghanistan from 2001 to 2017. GDP Per Capita is high in 2009 (18.31), 2010 (11.19) and 2007 (10.73), while negative GDP Per Capita from 2014 to 2016 (-0.49 to -0.45).

**Table 5.1: Variable description**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>LNGDPCAP</td>
<td>GDP Per Capita</td>
</tr>
<tr>
<td>LNGOVE</td>
<td>Government Effectiveness</td>
</tr>
<tr>
<td>LNREQL</td>
<td>Regulatory Quality</td>
</tr>
<tr>
<td>LNROL</td>
<td>Rule of Law</td>
</tr>
<tr>
<td>LNVOA</td>
<td>Voice and Accountability</td>
</tr>
<tr>
<td>LNPR</td>
<td>Political Stability</td>
</tr>
<tr>
<td>LNCOC</td>
<td>Control of Corruption</td>
</tr>
</tbody>
</table>

**Linear Regression**

**Table 5.2: Relationship between LNGOVE and LNGDPCAP**

<table>
<thead>
<tr>
<th>LNGDPCAP</th>
<th>COEFFICIENT</th>
<th>SE</th>
<th>T-VALUE</th>
<th>P-VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LNGOVE</td>
<td>-1.419</td>
<td>1.259276</td>
<td>-1.13</td>
<td>0.292</td>
</tr>
<tr>
<td>CONSTANT</td>
<td>1.709953</td>
<td>1.036312</td>
<td>1.65</td>
<td>0.138</td>
</tr>
</tbody>
</table>

Dependent variable: LNGDPCAP

Table 5.2 reveals the relationship between LNGOVE and LNGDPCAP was analysed using linear regression. The coefficient of LNGOVE is -1.419. So for every unit decrease in
LNGOVE, 1.42 unit decrease in LNGDPCAP, also p-value is greater than 0.05, hence there is no relationship between LNGOVE and LNGDPCAP. The findings reveals that, based on the secondary data we can infer that government effectiveness does not have a significant effect on gross domestic capital.

Table 5.3: Relationship between LNREQL and LNGDPCAP

<table>
<thead>
<tr>
<th>LNGDPCAP</th>
<th>COEFFICIENT</th>
<th>SE</th>
<th>T-VALUE</th>
<th>P-VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LNREQL</td>
<td>-0.5899028</td>
<td>0.9735067</td>
<td>-0.61</td>
<td>0.561</td>
</tr>
<tr>
<td>CONSTANT</td>
<td>0.9697592</td>
<td>0.7018781</td>
<td>1.38</td>
<td>0.204</td>
</tr>
</tbody>
</table>

Dependent variable: LNGDPCAP

Table 5.3 reveals the relationship between LNREQL and LNGDPCAP was analysed using linear regression. The coefficient of LNREQL is -0.590. So for every unit decrease in LNREQL, 0.59 unit decrease in LNGDPCAP, also p-value is greater than 0.05, hence there is no relationship between LNREQL and LNGDPCAP. The findings reveals that, based on the secondary data we can infer that regulatory quality does not have a significant effect on gross domestic capital.

Table 5.4: Relationship between LNROL and LNGDPCAP

<table>
<thead>
<tr>
<th>LNGDPCAP</th>
<th>COEFFICIENT</th>
<th>SE</th>
<th>T-VALUE</th>
<th>P-VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LNROL</td>
<td>-0.6927284</td>
<td>0.5561853</td>
<td>-1.25</td>
<td>0.248</td>
</tr>
<tr>
<td>CONSTANT</td>
<td>0.6220618</td>
<td>0.1972395</td>
<td>3.15</td>
<td>0.014</td>
</tr>
</tbody>
</table>

Dependent variable: LNGDPCAP

Table 5.4 reveals the relationship between LNROL and LNGDPCAP was analysed using linear regression. The coefficient of LNROL is -0.693. So for every unit decrease in LNROL, 0.69 unit decrease in LNGDPCAP, also p-value is greater than 0.05, hence there is no relationship between LNROL and LNGDPCAP. The findings reveals that, based on the secondary data we can infer that rule of law does not have a significant effect on gross domestic capital.

Table 5.5: Relationship between LNVOA and LNGDPCAP

<table>
<thead>
<tr>
<th>LNGDPCAP</th>
<th>COEFFICIENT</th>
<th>SE</th>
<th>T-VALUE</th>
<th>P-VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LNVOA</td>
<td>-3.830682</td>
<td>1.399398</td>
<td>-2.74</td>
<td>0.026*</td>
</tr>
<tr>
<td>CONSTANT</td>
<td>5.024299</td>
<td>1.636719</td>
<td>3.07</td>
<td>0.015</td>
</tr>
</tbody>
</table>

Dependent variable: LNGDPCAP

Table 5.5 reveals the relationship between LNVOA and LNGDPCAP was analysed using linear regression. The coefficient of LNVOA is -3.831. So for every unit decrease in LNVOA, 3.83 unit decrease in LNGDPCAP, also p-value is greater than 0.05, hence there is no relationship between LNVOA and LNGDPCAP. The findings reveals that, based on the secondary data we can infer that voice of the people does not have a significant effect on gross domestic capital.
Dependent variable: LNGDPCAP, *P<0.05

Table 5.5 reveals the relationship between LNVOA and LNGDPCAP was analysed using linear regression. The coefficient of LNVOA is -3.830. So for every unit decrease in LNVOA, 3.83 unit decrease in LNGDPCAP, also p-value is less than 0.05, hence there is a relationship between LNVOA and LNGDPCAP. The findings reveals that, based on the secondary data we can infer that voice and accountability have a significant effect on gross domestic capital.

Table 5.6: Relationship between LNPR and LNGDPCAP

<table>
<thead>
<tr>
<th>LNGDPCAP</th>
<th>COEFFICIENT</th>
<th>SE</th>
<th>T-VALUE</th>
<th>P-VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LNPR</td>
<td>0.952426</td>
<td>0.722957</td>
<td>1.32</td>
<td>0.224</td>
</tr>
<tr>
<td>CONSTANT</td>
<td>0.5029603</td>
<td>0.1950002</td>
<td>2.58</td>
<td>0.033</td>
</tr>
</tbody>
</table>

Dependent variable: LNGDPCAP

Table 5.6 reveals the relationship between LNPR and LNGDPCAP was analysed using linear regression. The coefficient of LNPR is 0.952. So for every unit increase in LNPR, 0.95 unit increase in LNGDPCAP, also p-value is greater than 0.05, hence there is no relationship between LNPR and LNGDPCAP. The findings reveals that, based on the secondary data we can infer that Political stability & absence of violence does not have a significant effect on gross domestic capital.

Table 5.7: Relationship between LNCOC and LNGDPCAP

<table>
<thead>
<tr>
<th>LNGDPCAP</th>
<th>COEFFICIENT</th>
<th>SE</th>
<th>T-VALUE</th>
<th>P-VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LNCOC</td>
<td>-0.6808031</td>
<td>0.6169234</td>
<td>-1.10</td>
<td>0.302</td>
</tr>
<tr>
<td>CONSTANT</td>
<td>0.7370377</td>
<td>0.2507408</td>
<td>2.94</td>
<td>0.019</td>
</tr>
</tbody>
</table>

Dependent variable: LNGDPCAP

Table 5.7 reveals the relationship between LNCOC and LNGDPCAP was analysed using linear regression. The coefficient of LNCOC is 0.681. So for every unit decrease in LNCOC, 0.68 unit decrease in LNGDPCAP, also p-value is greater than 0.05, hence there is no relationship between LNCOC and LNGDPCAP. The findings reveals that, based on the secondary data we can infer that control of corruption does not have a significant effect on gross domestic capital.
Table 5.8: Relationship between LNGOVE, LNREQL, LNROL, LNVOA, LNPR, LNCOC and LNGDPCAP using multiple regression

<table>
<thead>
<tr>
<th>LNGDPCAP</th>
<th>COEFFICIENT</th>
<th>SE</th>
<th>T-VALUE</th>
<th>P-VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LNGOVE</td>
<td>-5.257272</td>
<td>0.7778373</td>
<td>-6.76</td>
<td>0.007**</td>
</tr>
<tr>
<td>LNREQL</td>
<td>-0.6943216</td>
<td>0.1975007</td>
<td>-3.52</td>
<td>0.039*</td>
</tr>
<tr>
<td>LNROL</td>
<td>1.861504</td>
<td>0.2871594</td>
<td>6.48</td>
<td>0.007**</td>
</tr>
<tr>
<td>LNVOA</td>
<td>-2.40636</td>
<td>0.4218761</td>
<td>-5.70</td>
<td>0.011**</td>
</tr>
<tr>
<td>LNPR</td>
<td>2.574606</td>
<td>0.2352664</td>
<td>10.94</td>
<td>0.002**</td>
</tr>
<tr>
<td>LNCOC</td>
<td>-0.4141951</td>
<td>0.1912999</td>
<td>-2.17</td>
<td>0.119</td>
</tr>
<tr>
<td>Constant</td>
<td>7.878953</td>
<td>0.6535174</td>
<td>12.06</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Dependent variable: LNGDPCAP, **P<0.01, *P<0.05

Table 5.8 reveals the relationship between LNGOVE, LNREQL, LNROL, LNVOA, LNPR, LNCOC and LNGDPCAP between LNGOVE, LNREQL, LNROL, LNVOA, LNPR, LNCOC and LNGDPCAP was analysed using multiple regression. The coefficient of LNGOVE is 5.257. So for every unit decrease in LNGOVE, 5.26 unit decrease in LNGDPCAP. The coefficient for LNREQL is 0.694. So for every unit decrease in LNREQL, 0.69 unit decrease in LNGDPCAP and the coefficient for LNVOA is 2.406. So for every unit decrease in LNVOA, 2.41 unit decrease in LNGDPCAP. The coefficient of LNROL is 1.862. So for every unit increase in LNROL, 1.86 unit increase in LNGDPCAP. The coefficient for LNPR is 2.575. So for every unit increase in LNPR, 2.58 unit increase in LNGDPCAP, also p-value is less than 0.05, hence there is no relationship between LNGOVE, LNREQL, LNROL, LNVOA, LNPR and LNGDPCAP. The findings reveals that when including all the independent variables together using multiple regression, there is positive significant effect of LNROL and LNPR while negative significant effect of LNGOVE, LNREQL and LNVOA on LNGDPCAP.

5.2 Primary data analyses

In this chapter, statistical results that affect the data, which areobtained from the respondents of the research study, arerepresented. The data were collected through a questionnaire using an online survey and transferred into SPSS 20.0 version. The sample sizethat was used for the study is 100. To measure the internal consistency of the questionnaire, reliability analysis using Cronbach’s alpha were used. Frequency analysis is done to find the summary measures of demographical variables and presented in the form of tables or charts. To summarize the data
descriptive statistics are used. Correlation analysis is to find the internal relationship among the factors.

5.2.1 Distribution of respondents by gender

Table 5.9 shows the gender of the respondents. The majority (85 percent) of respondents were male and 15 percent female.

Table 5.9: Frequency of Gender

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>85</td>
<td>85.0</td>
</tr>
<tr>
<td>Female</td>
<td>15</td>
<td>15.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100.0</td>
</tr>
</tbody>
</table>

5.2.2 Family size of respondents and their income and expenditure

Table 5.10 presents the mean family size and household income and expenditure. The average family size is 5 (range: 1-9). The average monthly income is 51000 Afghani (642 US$) (range: 9,000 (114US$) – 650,000 (8191 US$)). The average family expenditure per month is 31000 Afghani (391 US$) with a maximum of 550,000 Afghani (6899 US$) and a minimum of 7,500 (89 US$) respectively.

Table 5.10: Mean family size and income and expenditure of respondents

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>Max</th>
<th>Min</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Family member</td>
<td>5.26</td>
<td>2.50</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>How much money do you earn in a month</td>
<td>51028.02</td>
<td>73900.77</td>
<td>650000</td>
<td>9000</td>
</tr>
<tr>
<td>The sector of your family expenditure per month</td>
<td>31089.47</td>
<td>55736.75</td>
<td>550000</td>
<td>7500</td>
</tr>
</tbody>
</table>

SD- Standard Deviation, Max- Maximum, Min-Minimum

5.2.3 Reliability analysis of data

Table 5.11 shows reliability analysis with descriptive statistics for each dimension. Alpha Cronbach ranges from 0.764 to 0.881, indicating good internal consistency
Table 5.11: Reliability Analysis

<table>
<thead>
<tr>
<th></th>
<th>No. of items</th>
<th>Mean</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Alliance</td>
<td>3</td>
<td>5.01</td>
<td>0.850</td>
</tr>
<tr>
<td>Strategic planning</td>
<td>3</td>
<td>4.60</td>
<td>0.764</td>
</tr>
<tr>
<td>Risk Management</td>
<td>5</td>
<td>4.87</td>
<td>0.868</td>
</tr>
<tr>
<td>Audit</td>
<td>4</td>
<td>4.46</td>
<td>0.852</td>
</tr>
<tr>
<td>Fraud Control</td>
<td>5</td>
<td>4.40</td>
<td>0.846</td>
</tr>
<tr>
<td>Quality Performance</td>
<td>5</td>
<td>4.10</td>
<td>0.789</td>
</tr>
<tr>
<td>Financing Resourcing</td>
<td>5</td>
<td>4.42</td>
<td>0.878</td>
</tr>
<tr>
<td>Human Resource Management (HRM)</td>
<td>5</td>
<td>4.42</td>
<td>0.865</td>
</tr>
<tr>
<td>Infrastructure &amp; Facilities</td>
<td>5</td>
<td>4.48</td>
<td>0.881</td>
</tr>
</tbody>
</table>

Table 5.12: Descriptive statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Median</th>
<th>SD</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Alliance</td>
<td>5.01</td>
<td>5.00</td>
<td>1.01</td>
<td>1.00</td>
<td>6.67</td>
<td>5.67</td>
</tr>
<tr>
<td>Strategic Planning</td>
<td>4.60</td>
<td>4.67</td>
<td>1.06</td>
<td>1.00</td>
<td>7.00</td>
<td>6.00</td>
</tr>
<tr>
<td>Risk Management</td>
<td>4.87</td>
<td>5.00</td>
<td>0.92</td>
<td>2.00</td>
<td>6.80</td>
<td>4.80</td>
</tr>
<tr>
<td>Audit</td>
<td>4.46</td>
<td>4.50</td>
<td>0.92</td>
<td>2.00</td>
<td>7.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Fraud Control</td>
<td>4.40</td>
<td>4.40</td>
<td>0.97</td>
<td>1.00</td>
<td>6.60</td>
<td>5.60</td>
</tr>
<tr>
<td>Quality Performance</td>
<td>4.10</td>
<td>4.00</td>
<td>0.90</td>
<td>1.60</td>
<td>6.40</td>
<td>4.80</td>
</tr>
<tr>
<td>Financial Resourcing</td>
<td>4.42</td>
<td>4.60</td>
<td>0.96</td>
<td>1.20</td>
<td>6.80</td>
<td>5.60</td>
</tr>
<tr>
<td>Human Resource Management (HRM)</td>
<td>4.42</td>
<td>4.60</td>
<td>1.06</td>
<td>1.00</td>
<td>6.80</td>
<td>5.80</td>
</tr>
<tr>
<td>Infrastructure and Facilities</td>
<td>4.48</td>
<td>4.60</td>
<td>0.95</td>
<td>1.00</td>
<td>6.40</td>
<td>5.40</td>
</tr>
</tbody>
</table>

5.2.4 Normality test

The Kolmogorov-Smirnov test compares the cumulative normal distribution. It is considered as an “empirical distribution function (EDF)” test wherein function associated with the theoretical cumulative distribution of test distribution is pitted against EDF about the data and the corresponding p-value on the most significant discrepancy. Whether the distribution follows a normal distribution or not, irrespective of having a minor quantum of observations is determined with the help of the Shapiro-Wilk test. The Shapiro-Wilk test is only applicable to check for normality.

Table 5.13 reveals the test of normality. The Shapiro-wilk test is used to interpret whether the data is normal or not. If the p-value is greater than 0.05, then the data distribution is normal.
In the table below, p-value for Shapiro-wilk test is less than 0.05, which indicates that data are not normal.

To check whether the data follows normal or not that is to use whether parametric or non-parametric test.

Table 5.13: Tests of Normality

<table>
<thead>
<tr>
<th></th>
<th>Kolmogorov-Smirnov</th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistic</td>
<td>df</td>
</tr>
<tr>
<td>Strategic Alliance</td>
<td>.178</td>
<td>100</td>
</tr>
<tr>
<td>Strategic Planning</td>
<td>.090</td>
<td>100</td>
</tr>
<tr>
<td>Risk Management</td>
<td>.136</td>
<td>100</td>
</tr>
<tr>
<td>Audit</td>
<td>.113</td>
<td>100</td>
</tr>
<tr>
<td>Fraud Control</td>
<td>.099</td>
<td>100</td>
</tr>
<tr>
<td>Quality Performance</td>
<td>.079</td>
<td>100</td>
</tr>
<tr>
<td>Financial Resourcing</td>
<td>.112</td>
<td>100</td>
</tr>
<tr>
<td>Human Resource Management</td>
<td>.122</td>
<td>100</td>
</tr>
<tr>
<td>Infrastructure and Facilities</td>
<td>.154</td>
<td>100</td>
</tr>
</tbody>
</table>

Q-Q Plot (Think if you need this)

Q-Q Plot has been utilised for testing normality graphically. In case the data points are located in proximity with the diagonal line then, it can be conclusively said that there is normal data distribution. If the data points stray away from the diagonal line, then it can be concluded that there is no normal data distribution. It can be observed and noted from Figure 2 that for a large number of variables, the data points fall in proximity to the diagonal line. Therefore, the data follows a normal distribution, and with this objective, the parametric test has been utilised.
Figure 5.9: Q-Q plot for dimensions of good governance

Strategic Alliance

<table>
<thead>
<tr>
<th>Normal Q-Q Plot of Strategic Alliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected Normal</td>
</tr>
<tr>
<td>Observed Value</td>
</tr>
</tbody>
</table>

Strategic Planning

<table>
<thead>
<tr>
<th>Normal Q-Q Plot of Strategic Planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected Normal</td>
</tr>
<tr>
<td>Observed Value</td>
</tr>
</tbody>
</table>

Risk Management

<table>
<thead>
<tr>
<th>Normal Q-Q Plot of Risk Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected Normal</td>
</tr>
<tr>
<td>Observed Value</td>
</tr>
</tbody>
</table>

Audit

<table>
<thead>
<tr>
<th>Normal Q-Q Plot of Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected Normal</td>
</tr>
<tr>
<td>Observed Value</td>
</tr>
</tbody>
</table>

Fraud Control

<table>
<thead>
<tr>
<th>Normal Q-Q Plot of Fraud Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected Normal</td>
</tr>
<tr>
<td>Observed Value</td>
</tr>
</tbody>
</table>

Quality Performance

<table>
<thead>
<tr>
<th>Normal Q-Q Plot of Quality Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected Normal</td>
</tr>
<tr>
<td>Observed Value</td>
</tr>
</tbody>
</table>
5.2.5 Strategic alliance

Table 5.14 shows the strategic alliance. About 36 percent of the respondents were neutral to the statement “Members in the top management in my department have been working effectively”. Almost 49 percent respondents agree with the statement “My department can distinguish between governance and management”. Similarly, 49 percent respondents also agree to the statement “My department can measure the performance of the top management”. The finding reveals that overall majority of the respondents answered more or less agree to three statements in strategic alliance.
Table 5.14: Frequency of Strategic Alliance (SA)

<table>
<thead>
<tr>
<th>Strategic Alliance</th>
<th>SD</th>
<th>D</th>
<th>MLD</th>
<th>N</th>
<th>MLA</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members in the top management in my department have been working effectively.</td>
<td>3 (3.0)</td>
<td>2 (2.0)</td>
<td>8 (8.0)</td>
<td>36 (36.0)</td>
<td>28 (28.0)</td>
<td>20 (20.0)</td>
<td>3 (3.0)</td>
</tr>
<tr>
<td>My department can distinguish between governance and management.</td>
<td>2 (2.0)</td>
<td>3 (3.0)</td>
<td>1 (1.0)</td>
<td>7 (7.0)</td>
<td>49 (49.0)</td>
<td>37 (37.0)</td>
<td>1 (1.0)</td>
</tr>
<tr>
<td>My department can measure the performance of the top management.</td>
<td>4 (4.0)</td>
<td>0 (0.0)</td>
<td>1 (1.0)</td>
<td>8 (8.0)</td>
<td>33 (33.0)</td>
<td>49 (49.0)</td>
<td>5 (5.0)</td>
</tr>
</tbody>
</table>

5.2.6 Strategic Alliance

Table 7 presents the findings of strategic planning. Almost 37 percent of the respondents answered neutral to the statement “My department has global trends in planning and decision making”. About 31 percent agreed to the statement “My department achieves balance between sectoral administration and business issues” and 49 percent strongly agreed to the statement “My department has a clear and agreed distinction between strategy and operation”. The finding reveals that overall majority of the respondents answered more or less agree to two statements in strategic planning.

Table 5.15: Frequency of Strategic Planning (SP)

<table>
<thead>
<tr>
<th>Strategic Planning</th>
<th>SD</th>
<th>D</th>
<th>MLD</th>
<th>N</th>
<th>MLA</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>My department has global trends in planning and decision making.</td>
<td>3 (3.0)</td>
<td>13 (13.0)</td>
<td>15 (15.0)</td>
<td>37 (37.0)</td>
<td>14 (14.0)</td>
<td>10 (10.0)</td>
<td>8 (8.0)</td>
</tr>
<tr>
<td>My department achieves a balance between sectoral administration and business issues.</td>
<td>3 (3.0)</td>
<td>6 (6.0)</td>
<td>15 (15.0)</td>
<td>28 (28.0)</td>
<td>31 (31.0)</td>
<td>15 (15.0)</td>
<td>2 (2.0)</td>
</tr>
<tr>
<td>My department has a clear and agreed distinction between strategy and operation.</td>
<td>2 (2.0)</td>
<td>1 (1.0)</td>
<td>1 (1.0)</td>
<td>4 (4.0)</td>
<td>43 (43.0)</td>
<td>39 (39.0)</td>
<td>10 (10.0)</td>
</tr>
</tbody>
</table>

Table 5.16: Frequency of Risk Management (RM)

<table>
<thead>
<tr>
<th>Risk Management (RM)</th>
<th>SD</th>
<th>D</th>
<th>MLD</th>
<th>N</th>
<th>MLA</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>My department considers strategic and specific issue risk.</td>
<td>0 (0.0)</td>
<td>5 (5.0)</td>
<td>15 (15.0)</td>
<td>27 (27.0)</td>
<td>35 (35.0)</td>
<td>15 (15.0)</td>
<td>3 (3.0)</td>
</tr>
<tr>
<td>My department monitors government</td>
<td>0 (0.0)</td>
<td>4 (4.0)</td>
<td>2 (2.0)</td>
<td>10 (10.0)</td>
<td>22 (22.0)</td>
<td>55 (55.0)</td>
<td>7 (7.0)</td>
</tr>
</tbody>
</table>
priorities.

My department focuses mostly on the drivers of organizational success. (0.0) (4.0) (2.0) (10.0) (22.0) (55.0) (7.0)

My department is up-to-date with international developments/ technology. (3.0) (10.0) (19.0) (40.0) (18.0) (7.0) (3.0)

My department ensures that succession planning is conducted. (2.0) (5.0) (4.0) (12.0) (46.0) (28.0) (3.0)

5.2.7 Frequency of Audit

Table 5.17 reveals audit. About 33 percent of the respondents more or less agree to the statement “My department appoints an internal auditor and monitors his/her thoroughness in his/her work”, about 46 percent neutral to the statement “My department is satisfied with the diligence of the audit/finance committee”. About 39 percent answered more or less agree to the statement “My department ensures that audit reports are timely and clear”, and 39 percent answered neutral to the statement “My department spends sufficient time in meetings in which actions to audit findings are considered”. The finding reveals that overall majority of the respondents answered neutral to all the four statements in audit.

Table 5.17: Frequency of Audit (AU)

<table>
<thead>
<tr>
<th>Audit (AU)</th>
<th>SD (n)</th>
<th>D (n)</th>
<th>MLD (n)</th>
<th>N (n)</th>
<th>MLA (n)</th>
<th>A (n)</th>
<th>SA (n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>My department appoints an internal auditor and monitors his/her thoroughness in his/her work.</td>
<td>0 (0.0)</td>
<td>4 (4.0)</td>
<td>16 (16.0)</td>
<td>32 (32.0)</td>
<td>33 (33.0)</td>
<td>13 (13.0)</td>
<td>2 (2.0)</td>
</tr>
<tr>
<td>My department is satisfied with the diligence of the audit/finance committee.</td>
<td>0 (0.0)</td>
<td>3 (3.0)</td>
<td>12 (12.0)</td>
<td>46 (46.0)</td>
<td>29 (29.0)</td>
<td>9 (9.0)</td>
<td>1 (1.0)</td>
</tr>
<tr>
<td>My department ensures that audit reports are timely and clear.</td>
<td>2 (2.0)</td>
<td>2 (2.0)</td>
<td>3 (3.0)</td>
<td>20 (20.0)</td>
<td>39 (39.0)</td>
<td>29 (29.0)</td>
<td>5 (5.0)</td>
</tr>
<tr>
<td>My department spends sufficient time in meetings in which actions to audit findings are considered.</td>
<td>4 (4.0)</td>
<td>1 (1.0)</td>
<td>22 (22.0)</td>
<td>39 (39.0)</td>
<td>23 (23.0)</td>
<td>8 (8.0)</td>
<td>3 (3.0)</td>
</tr>
</tbody>
</table>

5.2.8 Fraud control

Table 5.18 reveals fraud control. About 42 percent of the respondent answered more or less agree to the statement “My department maintains independence and challenges senior management” About 40 percent neutral to the statement “My department ensures that internal control exists to minimize the risk of fraud”. About 45 percent answered more or less agree to
the statement “My department insists on reference checks during employee recruitment”. About 37 percent answered neutral to the statement “My department ensures that internal and external audit processes cover fraud prevention” and 40 percent answered more or less agree and agree to the statement “My department has a thorough process in investigating and handling fraud”. The finding reveals that overall majority of the respondents answered neutral to all the five statements in fraud control.

Table 5.18: Frequency of Fraud Control (FC)

<table>
<thead>
<tr>
<th>Fraud Control (FC)</th>
<th>SD</th>
<th>D</th>
<th>MLD</th>
<th>N</th>
<th>MLA</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>My department maintains independence and challenges senior management.</td>
<td>6</td>
<td>1</td>
<td>16</td>
<td>26</td>
<td>42</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>(6.0)</td>
<td>(1.0)</td>
<td>(16.0)</td>
<td>(26.0)</td>
<td>(42.0)</td>
<td>(7.0)</td>
<td>(2.0)</td>
</tr>
<tr>
<td>My department ensures that internal control exists to minimize the risk of fraud.</td>
<td>1</td>
<td>6</td>
<td>9</td>
<td>40</td>
<td>28</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>(1.0)</td>
<td>(6.0)</td>
<td>(9.0)</td>
<td>(40.0)</td>
<td>(28.0)</td>
<td>(12.0)</td>
<td>(4.0)</td>
</tr>
<tr>
<td>My department insists on reference checks during employee recruitment.</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>9</td>
<td>45</td>
<td>32</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>(4.0)</td>
<td>(4.0)</td>
<td>(3.0)</td>
<td>(9.0)</td>
<td>(45.0)</td>
<td>(32.0)</td>
<td>(3.0)</td>
</tr>
<tr>
<td>My department ensures that internal and external audit processes cover fraud prevention.</td>
<td>3</td>
<td>2</td>
<td>16</td>
<td>37</td>
<td>29</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>(3.0)</td>
<td>(2.0)</td>
<td>(16.0)</td>
<td>(37.0)</td>
<td>(29.0)</td>
<td>(12.0)</td>
<td>(1.0)</td>
</tr>
<tr>
<td>My department has a thorough process in investigating and handling fraud.</td>
<td>5</td>
<td>4</td>
<td>20</td>
<td>30</td>
<td>30</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>(5.0)</td>
<td>(4.0)</td>
<td>(20.0)</td>
<td>(30.0)</td>
<td>(30.0)</td>
<td>(10.0)</td>
<td>(1.0)</td>
</tr>
</tbody>
</table>

5.2.9 Quality performance

Table 5.19 reveals quality performance. About 30 percent of the respondent answered neutral to the statement “My department has a sound system of monitoring program/service quality”. About 41 percent answered disagree and more or less disagree to the statement “My department enhances the commitment of all internal people to exhibit quality performance”. About 53 percent answered more or less agree to the statement “My department ensures that managers are exposed to good practices outside the sector”. About 51 percent answered neutral to the statement “My department provides training and education for top management and staff” and 48 percent answered more or less agree and agree to the statement “My department considers the implications of relevant government legislation”. The finding reveals that overall majority of the respondents answered neutral to all the five statements in quality performance.
Table 5.19: Frequency of Quality Performance (QP)

<table>
<thead>
<tr>
<th>Quality Performance (QP)</th>
<th>SD</th>
<th>D</th>
<th>MLD</th>
<th>N</th>
<th>MLA</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>My department has a sound system of monitoring program/service quality.</td>
<td>3</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>15</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>(3.0)</td>
<td></td>
<td>(20.0)</td>
<td>(25.0)</td>
<td>(30.0)</td>
<td>(15.0)</td>
<td>(3.0)</td>
<td>(4.0)</td>
</tr>
<tr>
<td>My department enhances the commitment of all internal people to exhibit quality performance.</td>
<td>8</td>
<td>20</td>
<td>21</td>
<td>24</td>
<td>21</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>(8.0)</td>
<td></td>
<td>(20.0)</td>
<td>(21.0)</td>
<td>(24.0)</td>
<td>(21.0)</td>
<td>(4.0)</td>
<td>(2.0)</td>
</tr>
<tr>
<td>My department ensures that managers are exposed to good practices outside the sector.</td>
<td>5</td>
<td>0</td>
<td>9</td>
<td>17</td>
<td>53</td>
<td>15</td>
<td>1</td>
</tr>
<tr>
<td>(5.0)</td>
<td></td>
<td>(0.0)</td>
<td>(9.0)</td>
<td>(17.0)</td>
<td>(53.0)</td>
<td>(15.0)</td>
<td>(1.0)</td>
</tr>
<tr>
<td>My department provides training and education for top management and staff.</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>51</td>
<td>25</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>(3.0)</td>
<td></td>
<td>(5.0)</td>
<td>(5.0)</td>
<td>(51.0)</td>
<td>(25.0)</td>
<td>(8.0)</td>
<td>(3.0)</td>
</tr>
<tr>
<td>My department considers the implications of relevant government legislation.</td>
<td>0</td>
<td>2</td>
<td>10</td>
<td>39</td>
<td>31</td>
<td>17</td>
<td>1</td>
</tr>
<tr>
<td>(0.0)</td>
<td></td>
<td>(2.0)</td>
<td>(10.0)</td>
<td>(39.0)</td>
<td>(31.0)</td>
<td>(17.0)</td>
<td>(1.0)</td>
</tr>
</tbody>
</table>

5.2.10 Financial resourcing

Table 5.20 reveals financial resourcing. About 38 percent of the respondent answered neutral to the statement “My department measures the level of relevant up-to-date services of an organization”. About 37 percent answered neutral to the statement “My department insists on thorough and professional approaches to new businesses”. About 35 percent answered more or less agree to the statement “My department practices good forecasting, and performance management system exists”. About 32 percent answered more or less agree to the statement “My department has a reliable system and effectively performs descriptive reporting” and 46 percent answered more or less agree and agree to the statement “My department has a conservative approach to risks”. The finding reveals that overall majority of the respondents answered neutral to all the five statements in financial resourcing.

Table 5.20: Frequency of Financial Resourcing (FR)

<table>
<thead>
<tr>
<th>Financial Resourcing (FR)</th>
<th>SD</th>
<th>D</th>
<th>MLD</th>
<th>N</th>
<th>MLA</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>My department measures the level of relevant up-to-date services of an organization.</td>
<td>3</td>
<td>1</td>
<td>11</td>
<td>38</td>
<td>34</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>(3.0)</td>
<td></td>
<td>(1.0)</td>
<td>(11.0)</td>
<td>(38.0)</td>
<td>(34.0)</td>
<td>(9.0)</td>
<td>(4.0)</td>
</tr>
<tr>
<td>My department insists on thorough and professional approaches to new businesses.</td>
<td>4</td>
<td>1</td>
<td>10</td>
<td>37</td>
<td>27</td>
<td>18</td>
<td>3</td>
</tr>
<tr>
<td>(4.0)</td>
<td></td>
<td>(1.0)</td>
<td>(10.0)</td>
<td>(37.0)</td>
<td>(27.0)</td>
<td>(18.0)</td>
<td>(3.0)</td>
</tr>
</tbody>
</table>
My department practices good forecasting, and performance management system exists. | 3 (3.0) | 0 (0.0) | 21 (21.0) | 27 (27.0) | 35 (35.0) | 11 (11.0) | 3 (3.0)
My department has a reliable system and effectively performs descriptive reporting. | 0 (0.0) | 3 (3.0) | 14 (14.0) | 30 (30.0) | 32 (32.0) | 17 (17.0) | 4 (4.0)
My department has a conservative approach to risks. | 5 (5.0) | 2 (2.0) | 9 (9.0) | 38 (38.0) | 38 (38.0) | 8 (8.0) | 0 (0.0)

### 5.2.11 Human Resource Management

Table 5.21 reveals human resource management. About 27 percent of the respondent answered neutral to the statement “My department has a professional human resource plan”. About 31 percent answered agree to the statement “My department encourages the involvement of employees in planning”. About 54 percent answered more or less agree to the statement “My department complies with modern workplace requirements”. About 59 percent answered agree to the statement “My department ensures the presence and value of staff development programs” and 38 percent answered neutral to the statement “My department ensures the accountability of performance at all levels”. The finding reveals that overall majority of the respondents answered more or less agree to all the five statements in human resource management.

Table 5.21: Frequency of Human Resource Management (HRM)

<table>
<thead>
<tr>
<th>Human Resource Management (HRM)</th>
<th>SD</th>
<th>D</th>
<th>MLD</th>
<th>N</th>
<th>MLA</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>My department has a professional human resource plan.</td>
<td>4 (4.0)</td>
<td>5 (5.0)</td>
<td>15 (15.0)</td>
<td>27 (27.0)</td>
<td>25 (25.0)</td>
<td>19 (19.0)</td>
<td>5 (5.0)</td>
</tr>
<tr>
<td>My department encourages the involvement of employees in planning.</td>
<td>10 (10.0)</td>
<td>4 (4.0)</td>
<td>7 (7.0)</td>
<td>18 (18.0)</td>
<td>25 (25.0)</td>
<td>31 (31.0)</td>
<td>5 (5.0)</td>
</tr>
<tr>
<td>My department complies with modern workplace requirements.</td>
<td>3 (3.0)</td>
<td>0 (0.0)</td>
<td>6 (6.0)</td>
<td>22 (22.0)</td>
<td>54 (54.0)</td>
<td>15 (15.0)</td>
<td>0 (0.0)</td>
</tr>
<tr>
<td>My department ensures the presence and value of staff development programs.</td>
<td>3 (3.0)</td>
<td>2 (2.0)</td>
<td>2 (2.0)</td>
<td>20 (20.0)</td>
<td>32 (32.0)</td>
<td>59 (59.0)</td>
<td>4 (4.0)</td>
</tr>
<tr>
<td>My department ensures the accountability of performance at all levels.</td>
<td>7 (7.0)</td>
<td>11 (11.0)</td>
<td>21 (21.0)</td>
<td>38 (38.0)</td>
<td>15 (15.0)</td>
<td>7 (7.0)</td>
<td>1 (1.0)</td>
</tr>
</tbody>
</table>

### 5.2.12 Infrastructure and facilities

Table 5.22 reveals infrastructure and facilities. About 40 percent of the respondent answered neutral to the statement “My department monitors the competitiveness of buildings and
equipment”. About 36 percent answered more or less agree to the statement “My department sees that maintenance management is planned”. About 46 percent answered more or less agree to the statement “My department plans for asset replacement financing”. About 43 percent answered neutral to the statement “My department complies with occupation, health, and safety management” and 44 percent answered agree to the statement “My department has an up-to-date registry of assets”. The finding reveals that overall majority of the respondents answered neutral to all the five statements in infrastructure and facilities.

**Table 5.22: Frequency of Infrastructure and Facilities (IF)**

<table>
<thead>
<tr>
<th>Infrastructure and Facilities (IF)</th>
<th>SD</th>
<th>D</th>
<th>MLD</th>
<th>N</th>
<th>MLA</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>n(%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My department monitors the</td>
<td>3</td>
<td>3</td>
<td>9</td>
<td>40</td>
<td>32</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>competitiveness of buildings and</td>
<td>(3.0)</td>
<td>(3.0)</td>
<td>(9.0)</td>
<td>(40.0)</td>
<td>(32.0)</td>
<td>(12.0)</td>
<td>(1)</td>
</tr>
<tr>
<td>equipment.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My department sees that</td>
<td>4</td>
<td>0</td>
<td>12</td>
<td>31</td>
<td>36</td>
<td>14</td>
<td>3</td>
</tr>
<tr>
<td>maintenance management is planned.</td>
<td>(4.0)</td>
<td>(0.0)</td>
<td>(12.0)</td>
<td>(31.0)</td>
<td>(36.0)</td>
<td>(14.0)</td>
<td>(3)</td>
</tr>
<tr>
<td>My department plans for asset</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>35</td>
<td>46</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>replacement financing.</td>
<td>(2.0)</td>
<td>(3.0)</td>
<td>(3.0)</td>
<td>(35.0)</td>
<td>(46.0)</td>
<td>(8.0)</td>
<td>(3)</td>
</tr>
<tr>
<td>My department complies with</td>
<td>4</td>
<td>6</td>
<td>26</td>
<td>43</td>
<td>11</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>occupation, health, and safety</td>
<td>(4.0)</td>
<td>(6.0)</td>
<td>(26.0)</td>
<td>(43.0)</td>
<td>(11.0)</td>
<td>(10.0)</td>
<td>(0)</td>
</tr>
<tr>
<td>management.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My department has an up-to-date</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>38</td>
<td>44</td>
<td>4</td>
</tr>
<tr>
<td>registry of assets.</td>
<td>(4.0)</td>
<td>(1.0)</td>
<td>(5.0)</td>
<td>(4.0)</td>
<td>(38.0)</td>
<td>(44.0)</td>
<td>(4)</td>
</tr>
</tbody>
</table>

**Table 5.23: Correlations**

<table>
<thead>
<tr>
<th></th>
<th>Strategic Alliance</th>
<th>Strategic Planning</th>
<th>Risk Management</th>
<th>Audit</th>
<th>Fraud Control</th>
<th>Quality Performance</th>
<th>Financial Resourcing</th>
<th>Human Resource Management</th>
<th>Infrastructure and Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Alliance</td>
<td>1</td>
<td>.616**</td>
<td>.805**</td>
<td>.679**</td>
<td>.773**</td>
<td>.616**</td>
<td>.653**</td>
<td>.628**</td>
<td>.600**</td>
</tr>
<tr>
<td>Strategic Planning</td>
<td>1</td>
<td>.670**</td>
<td>.698**</td>
<td>.695**</td>
<td>.726**</td>
<td>.773**</td>
<td>.651**</td>
<td>.563**</td>
<td></td>
</tr>
<tr>
<td>Risk Management</td>
<td>1</td>
<td>.807**</td>
<td>.800**</td>
<td>.653**</td>
<td>.708**</td>
<td>.597**</td>
<td>.541**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit</td>
<td>1</td>
<td>.791**</td>
<td>.707**</td>
<td>.748**</td>
<td>.690**</td>
<td>.690**</td>
<td>.612**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fraud Control</td>
<td>1</td>
<td>.768**</td>
<td>.709**</td>
<td>.699**</td>
<td>.699**</td>
<td>.602**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality Performance</td>
<td>1</td>
<td></td>
<td>.758**</td>
<td>.797**</td>
<td>.709**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 5.23 reveals the relationship between dimensions of good practices using Pearson correlation. Correlation lies between -1 to +1. There is a positive significant relationship between strategic alliance and strategic planning (r=0.616, p<0.001), Risk management (r=0.805, p<0.001), Audit (r=0.679, p<0.001), Fraud control (r=0.773, p<0.001), quality performance (r=0.616, p<0.001), financial resourcing (r=0.653, p<0.001), human resource management (r=0.628, p<0.001) and Infrastructure and facilities (r=0.600, p<0.001). There exists a positive significant relationship between strategic planning and Risk management (r=0.670, p<0.001), Audit (r=0.698, p<0.001), Fraud control (r=0.695, p<0.001), quality performance (r=0.726, p<0.001), financial resourcing (r=0.773, p<0.001), human resource management (r=0.651, p<0.001) and Infrastructure and facilities (r=0.563, p<0.001).

### 5.3 Summary

Based on the secondary data, the data for Government effectiveness, Regulatory quality, Rule of law, Voice and accountability, Political Stability & no violence and Control of Corruption were taken from the year 2001 to 2017. For all the data natural logarithms have been taken for the analysis, in which LNGDPCAP is the dependent variable while LNGOVE, LNREQL, LNROL, LNVOA, LNPR and LNCOC are independent variables. Based on the dependent and independent variables linear regression and multiple regression. Government effectiveness does not have a significant effect on gross domestic capital. Regulatory quality does not have a significant effect on gross domestic capital. Rule of law does not have a significant effect on gross domestic capital. Voice and accountability have a significant effect on gross domestic capital. Political stability & absence of violence does not have a significant effect on gross domestic capital. Control of corruption does not have a significant effect on gross domestic capital.
domestic capital. when including all the independent variables together using multiple regression, there is positive significant effect of LNROL and LNPR while negative significant effect of LNGOVE, LNREQL and LNVOA on LNGDPCAP.

From the primary data, we can infer that most of the respondents answered More or less agree to the statements related to factor strategic alliance while least answered Neutral to the statements related to factor Quality Performance. The finding reveals that overall majority of the respondents answered more or less agree to three statements in strategic alliance. Overall majority of the respondents answered more or less agree to two statements in strategic planning. Overall majority of the respondents answered neutral to all the four statements in audit. Overall majority of the respondents answered neutral to all the five statements in fraud control. Overall majority of the respondents answered neutral to all the five statements in quality performance. Overall majority of the respondents answered neutral to all the five statements in financial resourcing. Overall majority of the respondents answered more or less agree to all the five statements in human resource management. Overall majority of the respondents answered neutral to all the five statements in infrastructure and facilities.
CHAPTER VI: DISCUSSION AND CONCLUSION

6.1 Introduction

This chapter discusses the results obtained from the procured data. It also summarizes the correlation and associations identified among the dependent and independent variables taken into consideration for the research pertaining to the impact of good governance on the national development in Afghanistan.

6.2 Summary

This study analyses the impact of eight different modules collected from secondary sources over a period of 2002 to 2017. The modules are Government Effectiveness, Regulatory Quality, Rule of Law, Voice and Accountability, Political Stability & No Violence, Control of Corruption, GDP growth and GDP per Capita. The variables considered for the analysis for each module are LNGOVE, LNREQL, LNROL, LNVOA, LNPR, LNCOC and LNGDPCAP. The primary data obtained from 100 participants and used for analysing the mutual relationships shared by these factors along with the reliability analysis, descriptive statistics and normality test. With the relevant indications the frequency of Strategic Alliance (SA), Strategic Planning (SP), Risk Management (RM), Audit (AU), Fraud Control (FC), Quality Performance (QP), Financial Resourcing (FR), Human Resource Management (HRM) and Infrastructure and Facilities (IF) are analysed through the responses received under the seven point Likert’s scale ranging from Strongly Disagree, Disagree, Mildly Disagree, Neutral, Mildly Agree, Agree to Strongly Agree.

6.3 Discussion

From the gathered secondary data the impact laid by the various principal factors of good governance namely, Government Effectiveness, Regulatory Quality, Rule of Law, Voice and Accountability, Political Stability & No Violence, Control of Corruption, GDP growth and GDP per Capita on the national development of Afghanistan have been represented through separate graphs. As suggested by Kaufmann et al. (2010) Government Effectiveness compacts with the quality of civil servants, services, policy formulation and implementation and the reliability of
the commitment to the national strategies. After the fall of Taliban in Afghanistan, the primary focus of the government was to reform the public administration and governance institutions to provide public goods and services. In alignment with this conclusion the impact of government effectiveness was random from 2003 to 2015, following which the impact was once again arbitrary. The highest impact was observed in 2009. Kaufmann et al. (2010) defined regulatory quality as the “ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development”. Until 2012, the impact of regulatory quality was very diverse, with the impact rising significantly since 2012, peaking in 2016 and fall in 2017. The results obtained indicate that the rule of law in Afghanistan has varying implications for the country's development from 2002 to 2015 with slight increases and decreases. In 2016, the nation witnessed a high impact on rule of law on its development, which fell again in 2017. This proved the statement of WHO? (WJP, 2015) to be true regarding the serious concern that Rule of Law was for the nation as it affected numerous dimension of governance.

It was stated that Voice and accountability is an indicator which indicates “the measure of public voice and participation in political process of a country” (Hafizullah, 2016). The results of the study indicate that the impact of voice and accountability gradually increased from 2002 to 2007, then steadily declined until 2009, and then steadily increased from 2010 to 2017. As suggested by Alex Their and Scott Worden (2017), the impact of political stability and no violence has been irregular, the same has been supported by the results of the present study where the impact is noted to be random with major increases in the year 2005 and 2015 followed by a sudden and significant decline.

In the national corruption ranking, Afghanistan has become one of the most corrupt countries in the world. It was placed 172 out of 175 in 2014 and 175 out of 177 of each in 2013 by Transparency International (2015). The results obtained indicate that the impact was stagnant from 2002 to 2003 and rose suddenly in 2004, followed by a successive significant decline. The year 2016 witnessed the highest impact followed by a sudden fall and a steady decrease till 2017. As stated by the World Bank (2018), the impact of GDP growth and GDP per Capita on the development of Afghanistan was unsteady with sudden rise and fall from 2002 to 2017. The highest impact was witnessed in 2009.
The linear regression analysis did not show any relationship between Government Effectiveness, Regulatory Quality, Rule of Law, Voice and Accountability, Political Stability and GDP Per Capita.

The descriptive statistics obtained from the results of the study for the dimensions of good governance stated that, Strategic Alliance has the highest mean followed by risk management, strategic and Quality Performance respectively. The results prove that, there is a positive significant relationship between strategic alliance and strategic planning, Risk management, Audit, Fraud control, quality performance, financial resourcing, human resource management and Infrastructure and facilities. This result aligns with the conclusion derived by the World Bank (2017). There exists a positive significant relationship between strategic planning and Risk management, Audit, Fraud control, quality performance, financial resourcing, human resource management and Infrastructure and facilities.

### 6.4 Conclusions

The aim of the research was to analyse the impact of good governance development in Afghanistan by analysing the practices, examining the dimensions, assessing the status of good governance and its challenges and by identifying the factors that influence good governance and development in Afghanistan. a. The results suggested that since 2001 there has been an unsteady rise and fall in the effectiveness of these factors leading to a failed governance and poor development. From the data obtained from primary sources, it can be concluded that more attention should be paid by the ruling government in developing the nation through ameliorating the standards of functionality of the government organizations and meeting the basic need of the citizens especially by forming a ‘no-violence’ environment within the nation.

### 6.5 Recommendations

The lack of literature and research related to the political circumstances and political background of Afghanistan poses a major challenge in obtaining information on the past circumstances of the nation. The unstable government for a long period of time and the great growth of terrorism within the nation are the reasons from obtaining a detailed evolution in development along with a precise scale. Given the lack of transparency with regard to the
nation's internal social issues and access to information by individuals or government officials, this is a major disadvantage. Thus further research must be carried out within the country with proper interaction with localities and government officials to understand the real-time factors that have a significant impact on the development of the nation and also contribute to the lack of good governance.

6.6 Implications

This research contributes to the existing literature that studies the factors affecting the development of Afghanistan. The results obtained through this research clarify the significance of various contributing factors to good governance that has either a positive or negative impact of the national development. This would contribute to the policy makers of the nation and also to the bureaucrats who are involved in the development of Afghanistan to comprehend the intensity of the factors and their effect on their governance. This would help them in reflecting over the past failures and success leading to an enhanced and more pruned legislative system.
References


caused-international.


