

Economic Governance and Economic Growth

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Governance meaning in **Kurdish** language

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Governance meaning

The Oxford Dictionary describes governance as a

(Act)

or

(Function of Governing)

the word is derived from the Latin word "Steering". It means

(Managing) , (Directing), (Guiding)

and Governance that gives the Organization, the City, or the State an infrastructure to ensure that rules are applied to everyone

Governance meaning

الحكومة المشتركة
[ادارية]

حكم
[عامه]

الحاكمية
[مالية]

الحكومة
[ادارية]

إدارة
[اقتصادية]

تحكم
[اجتماعية]

الحكومة البيئية
[الامم المتحدة]

إدارة الإنترنت
[الامم المتحدة]

الحكومة المحلية
[ادارية]

الحكومة الجديدة
[ادارية]

Co - governance

governance

Governance

Governance

governance

Governance

environmental governance

Internet governance

Local governance

New governance

Governance meaning

- responsive governance [الامم المتحدة] إدارة متجاوبة؛ حكم متجاوب
- corporate governance [مالية] حوكمة الشركة
- Corporate Governance [تقنية] إدارة الشركات
- Corporate governance [ادارية] حوكمة الشركات
- democratic governance [الامم المتحدة] الحوكمة الديمقراطية
- democratic governance [ادارية] الحاكمية الديموقراطية
- global governance [الامم المتحدة] الحوكمة العالمية
- Global governance [سياسية] الحكم العالمي
- Global Governance [اجتماعية] حكم عالمي
- good governance [ادارية] الحاكمية الجيدة؛ الحوكمة الرشيدة



Corporate GOVERNANCE



Corporate governance relates to the internal means by which corporations are operated and controlled.

Corporate governance is the system by which companies are **Directed** and **Controlled**.



Banking Governance

The Basel Committee defines

Banking Governance as the way in which the **Affairs** and **actions** of Banks are regulated by their board of Directors and Executive Management and to identify the correct methods in setting **Goals** and **Strategies** of Banks and their Daily operations, and to achieve the principle of the issue to the shareholders and the rights and interests of the parties involved and the application of the rules.

Economic Governance of Country

Economic governance is the organization of a set of **activities** related to the economy, especially **production**, **distribution**, **consumption**, and **investment**, so economic governance refers to **Policies**, **Institutions** and **Administrative System**

EG includes all forms, **Organizations** and **Activities** that are In the Economic, such as **Government Organizations**, **Private enterprises**, the **Family Sector**, **Financial Institutions**.

Theoretical Framework

the concept of Governance derived from

Neo-classical

and

Neo-Keynesian

theories when discussing how the economy can function.

Neo-classical

The modernists have assumed that markets will be balanced and that the economy is governed by the rule of full competition. According to this model, the basic function of the state is to ensure competition law. The state does not have direct economic activities

Neo-Keynesian

Modernized Keynes believe in government administration of the economy, because instability is inherent to the market system. In the thought of this school the government administration of the economy is crucial to avoid economic crises, so this school believes that the government must intervene in the economy to accelerate growth and development

Governance & growth

In a World Bank report entitled

„Good Governance for Development in the Middle East and North Africa“ •
„MENA “ •

Noted that the development of the Middle East and North Africa region at the •
Economic ,Social and Humanitarian levels is **Hindered** by the **Weakness** of
• **Governance** compare with the rest of the world

• **Poor Governance** leads in turn to the weakness of public governance •

• **Bad Governance**, in turn, limits the existence of a Environment and attractive business •
• climate for investment, production and low quality of services and public goods

Elements of Governance

1) ECONOMIC

Public Sector, companies, financial sector

2) CIVIL

Rights, Organization, Social Protection

3) LEGAL

Legislation Law, Fulfillment law, Applied Law



Dimensions of Governance

1. Voice and Accountability (VA)

capturing perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.

2. Political Stability and Absence of Violence Terrorism (PV)

Capturing perceptions of the likelihood that the government will be stabilized or overthrown by unconstitutional or violent means, including politically motivated violence and terrorism



Dimensions of Governance

3. Government Effectiveness (GE)

capturing perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

4. Regulatory Quality (RQ)

capturing perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.



Dimensions of Governance

5. Rule of Law (RL)

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

6. Control of Corruption (CC)

capturing perceptions of the extent to which public power is exercised for private gain, including both **Petty** and **Grand** forms of corruption, as well as “**Capture**” of the state by elites and private interests

How to Calculate Governance Variables

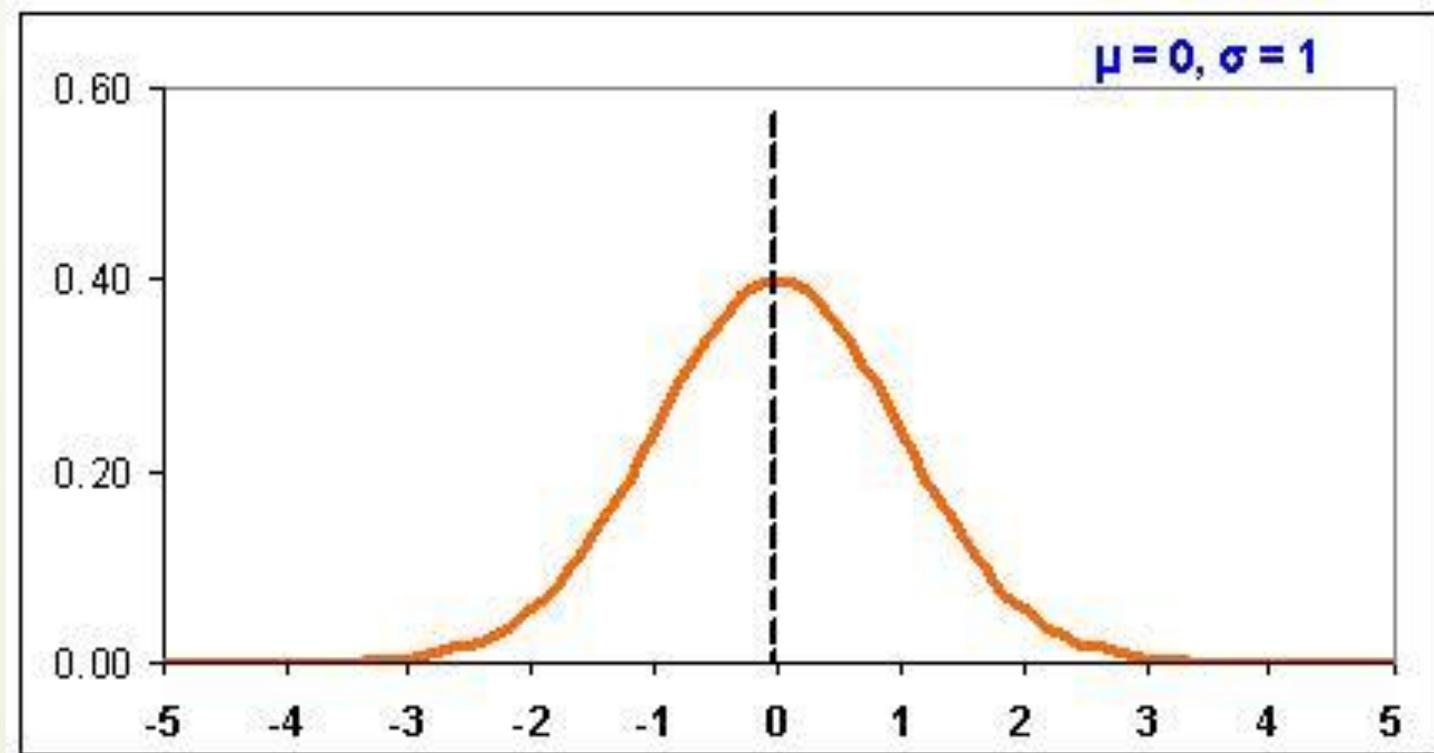
Governance and its variables were measured through Normal Distribution with a **Mean (0)** and a **Standard Dviation (1)**

This implies that all Values are between (-2.5) and (2.5).

The lower value (less than zero) represents the Negative Governance

and the Normal Distribution (Greater than zero) represent the Highest Value and represent the **Best results of Governance**

standard normal distribution





Economic Growth

Economic Growth : is the process of increasing the Sizes of National Economies, the Macro-economic indications, especially

the GDP per capita,

in an Ascendant but not Necessarily linear direction, with positive effects on the economic-social sector, while **Development** shows us how growth impacts on the society by increasing the standard of life



Economic Growth

Typologically, in one sense and in the other, economic growth can be:

Positive, Zero, Negative.

Positive economic growth

is recorded when the annual average rhythms of the macro-indicators are higher than the average rhythms of growth of the population

Zero economic growth

When the annual average rhythms of growth of the macro-economic indicators, particularly GDP, are equal to those of the population growth,

Negative economic growth

Appear when the rhythms of population growth are higher than those of the macro-economic indicators

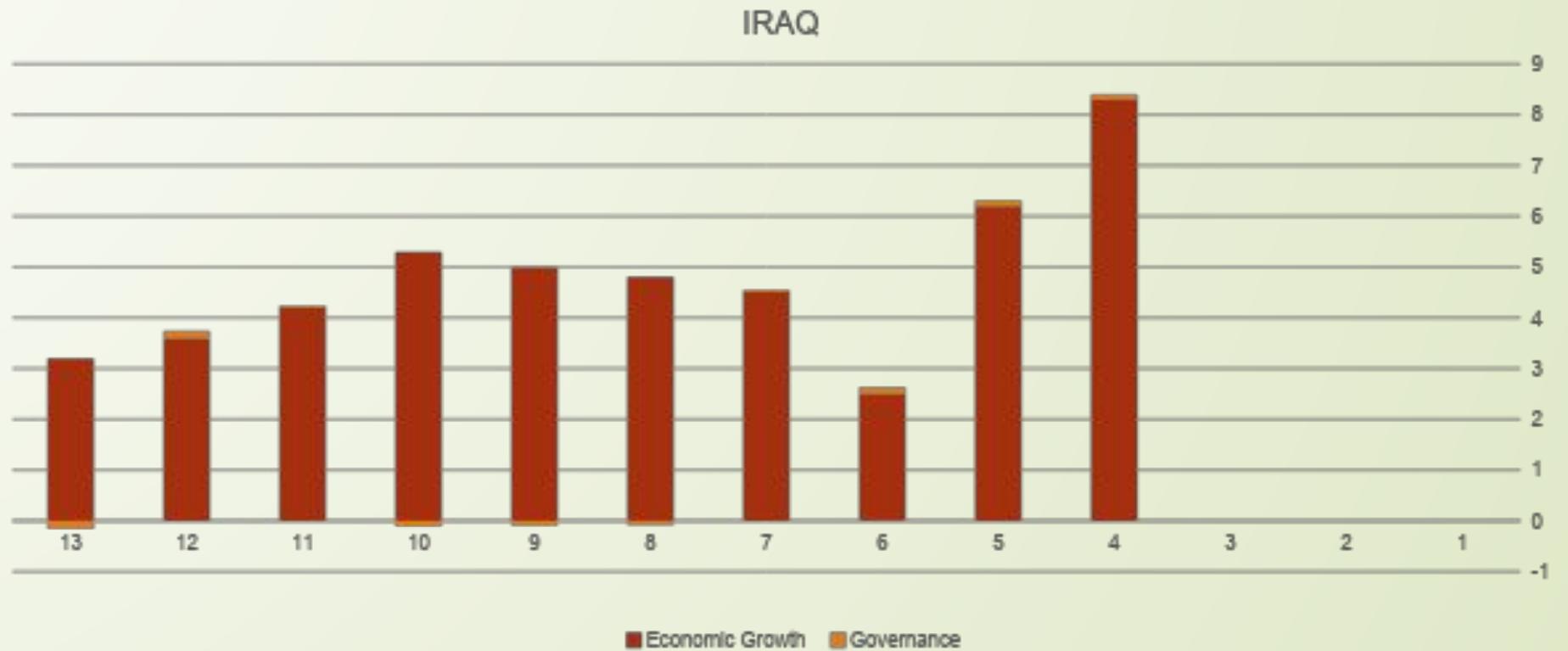


Economic Growth and Governance Indicators in **Iraq**
Years 2007-2016

Economic Growth	Governance 1+2+3+4+5+6	CC	RL	RQ	GE	PV	VA	YEAR
	6	6	5	4	3	2	1	
1.9	1.62-	1.46-	1.84-	1.32-	1.57-	2.48-	1.13-	2007
8.2	1.53-	1.46-	1.77-	1.15-	1.24-	2.47-	1.10-	2008
3.4	1.40-	1.33-	1.70-	1.01-	1.18-	2.18-	1.02-	2009
6.4	1.38-	1.26-	1.56-	1.05-	1.20-	2.24-	0.99-	2010
7.5	1.29-	1.17-	1.45-	1.09-	1.13-	1.85-	1.07-	2011
3.9	1.34-	1.22-	1.46-	1.25-	1.10-	1.93-	1.08-	2012
6.6	1.50-	1.28-	1.45-	1.24-	1.10-	2.90-	1.06-	2013
1.8-	1.44-	1.33-	1.33-	1.25-	1.11-	2.48-	1.14-	2014
1.5-	1.44-	1.37-	1.42-	1.24-	1.25-	2.26-	1.13-	2015
0.5-	1.46-	1.40-	1.70-	1.13-	1.26-	2.28-	1.01-	2016

GOVERNANCE & ECONOMIC GROWTH

IRAQ

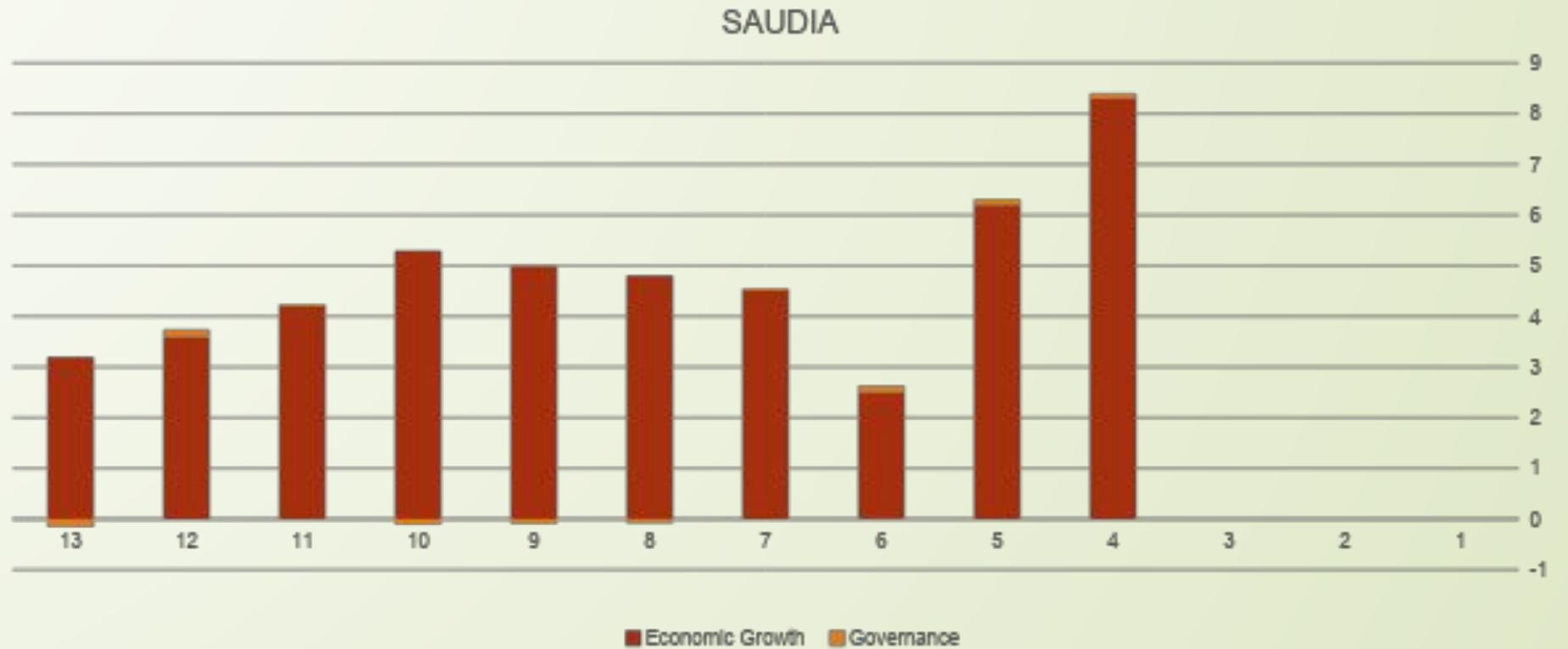


Economic Growth and Governance Indicators **in SAUDIA**
 Years 2007-2016

Economic Growth	Governance 1+2+3+4+5+6	CC	RL	RQ	GE	PV	VA	YEAR
	6	6	5	4	3	2	1	
6	0.39-	0.17	0.08	0.02	0.12-	0.47-	1.71-	2007
8.4	0.33-	0.01-	0.07	0.12	0.09-	0.34-	1.73-	2008
1.8	0.27-	0.02-	0.05	0.16	0.10-	0.08-	1.82-	2009
4.8	0.27-	0.04	0.16	0.16	0.01-	0.23-	1.79-	2010
10	0.38-	0.31-	0.05	0.03	0.03-	0.46-	1.91-	2011
5.4	0.35-	0.04-	0.15	0.10	0.03	0.48-	1.87-	2012
2.7	0.33-	0.02-	0.16	0.08	0.07	0.43-	1.88-	2013
3.5	0.29-	0.09	0.13	0.00	0.21	0.29-	1.88-	2014
2.7	0.33-	0.05	0.12	0.03	0.20	0.60-	1.84-	2015
4.0	0.21-	0.23	0.47	0.08	0.24	0.50-	1.78-	2016

GOVERNANCE & ECONOMIC GROWTH

SAUDIA



Economic Growth and Governance Indicators in **BAHRAIN**
In the Years 2007-2016

Economic Growth	Governance 1+2+3+4+5+6	CC	RL	RQ	GE	PV	VA	YEA-1. 45R
	6	6	5	4	3	2	1	
8.3	0.10	0.18	0.53	0.77	0.41	0.25-	0.86-	2007
6.2	0.11	0.19	0.33	0.71	0.39	0.24-	0.87-	2008
2.5	0.13	0.19	0.52	0.69	0.48	0.14-	0.79-	2009
4.5	0.05	0.18	0.44	0.71	0.46	0.49-	0.79-	2010
4.8	0.08-	0.22	0.35	0.72	0.52	0.95-	1.22-	2011
5.0	0.09-	0.37	0.26	0.69	0.55	1.13-	1.32-	2012
5.3	0.11-	0.43	0.33	0.61	0.59	1.34-	1.32-	2013
4.2	0.04	0.28	0.41	0.71	0.57	0.01-	1.32-	2014
3.6	0.14	0.14	0.43	0.82	0.56	0.21	1.31-	2015
3.2	0.16-	0.06-	0.46	0.61	0.32	0.86-	1.31-	2016

GOVERNANCE & ECONOMIC GROWTH

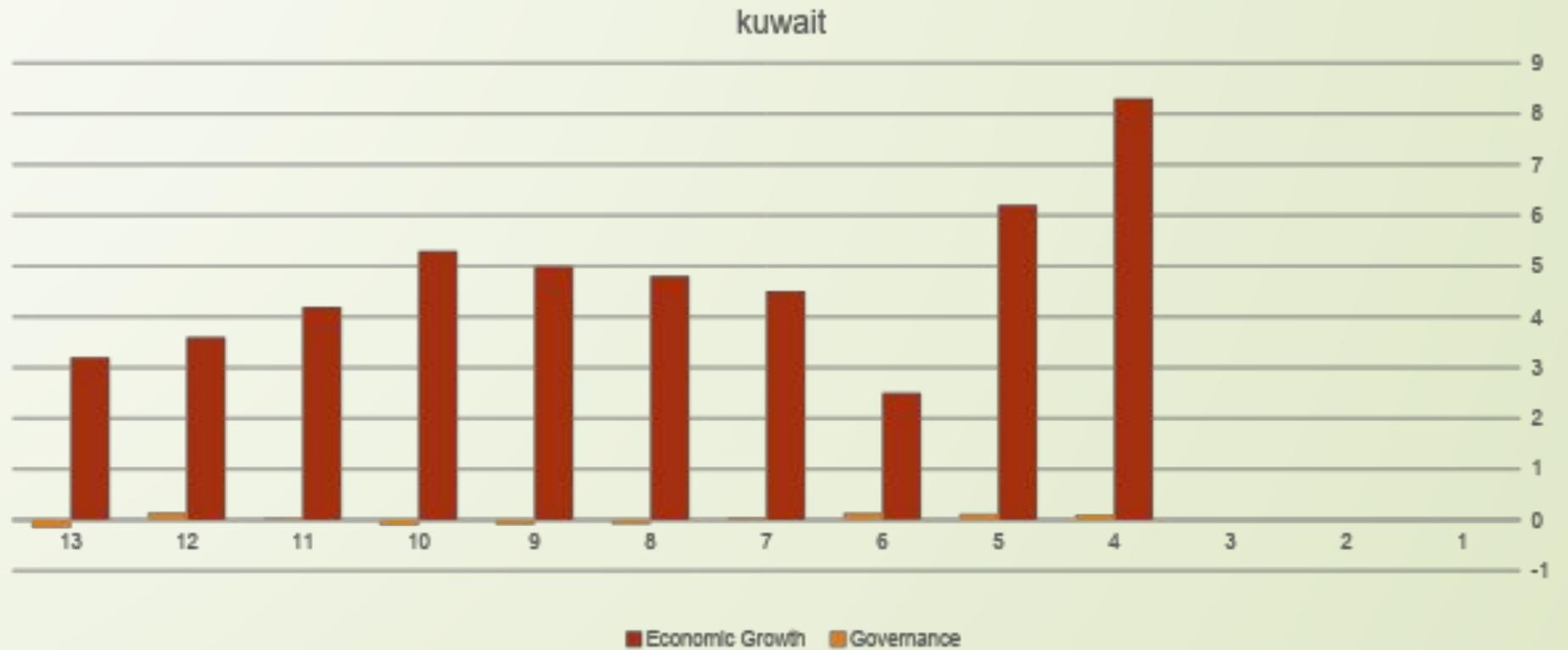
BAHRAIN



Economic Growth and Governance Indicators in **KUWAIT** Years 2007-2016

Economic Growth	Governance 1+2+3+4+5+6	CC	RL	RQ	GE	PV	VA	YEAR
	<u>6</u>	6	5	4	3	2	1	
6	0.23	0.38	0.60	0.26	0.10	0.62	0.55-	2007
2.5	0.19	0.42	0.59	0.17	0.50	0.50	0.54-	2008
1.7-	0.18	0.31	0.59	0.15	0.35	0.35	0.48-	2009
2.4-	0.19	0.30	0.59	0.16	0.45	0.45	0.52-	2010
10.6	0.08	0.09	0.55	0.08	0.31	0.31	0.56-	2011
7.7	0.06-	0.19-	0.37	0.04-	0.20	0.20	0.64-	2012
1.5	0.08-	0.19-	0.37	0.07-	0.17	0.17	0.66-	2013
1.3	0.17-	0.24-	0.02	0.15-	0.15	0.15	0.66-	2014
1	0.21-	0.23-	0.00	0.17-	0.21-	0.21-	0.66-	2015
1.6	0.01-	0.20-	0.03	0.07-	0.15-	0.15-	0.69-	2016

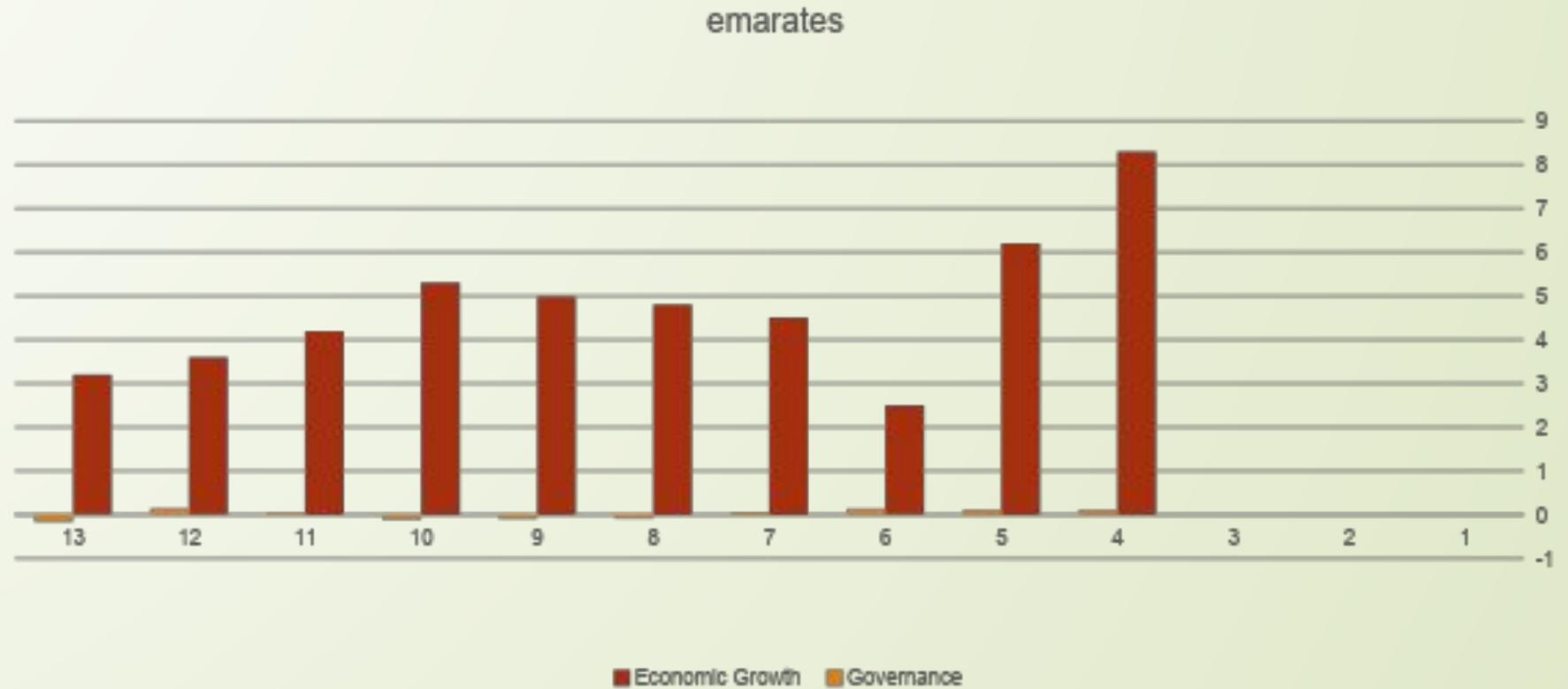
GOVERNANCE & ECONOMIC GROWTH KUWAIT



Economic Growth and Governance Indicators in **EMARATES** Years 2007-2016

Economic Growth	Governance	CC	RL	RQ	GE	PV	VA	YEAR
		6	5	4	3	2	1	
3.2	0.48	1.01	0.29	0.61	0.92	0.98	0.91-	2007
3.2	0.46	1.08	0.42	0.57	0.88	0.70	0.91-	2008
5.2	0.47	0.91	0.40	0.44	0.99	0.92	0.84-	2009
1.6	0.40	0.90	0.32	0.32	0.90	0.80	0.90-	2010
4.9	0.51	1.08	0.50	0.45	1.06	0.91	0.90-	2011
7.2	0.56	1.16	0.54	0.68	1.15	0.86	1.00-	2012
5.2	0.62	1.28	0.62	0.78	1.18	89.	1.02-	2013
3.6	0.66	1.20	0.65	0.99	1.44	0.77	1.06-	2014
3.6	0.66	1.07	0.64	1.11	1.51	0.76	1.11-	2015
3.8	0.64	1.28	0.89	0.97	1.41	0.44	1.12-	2016

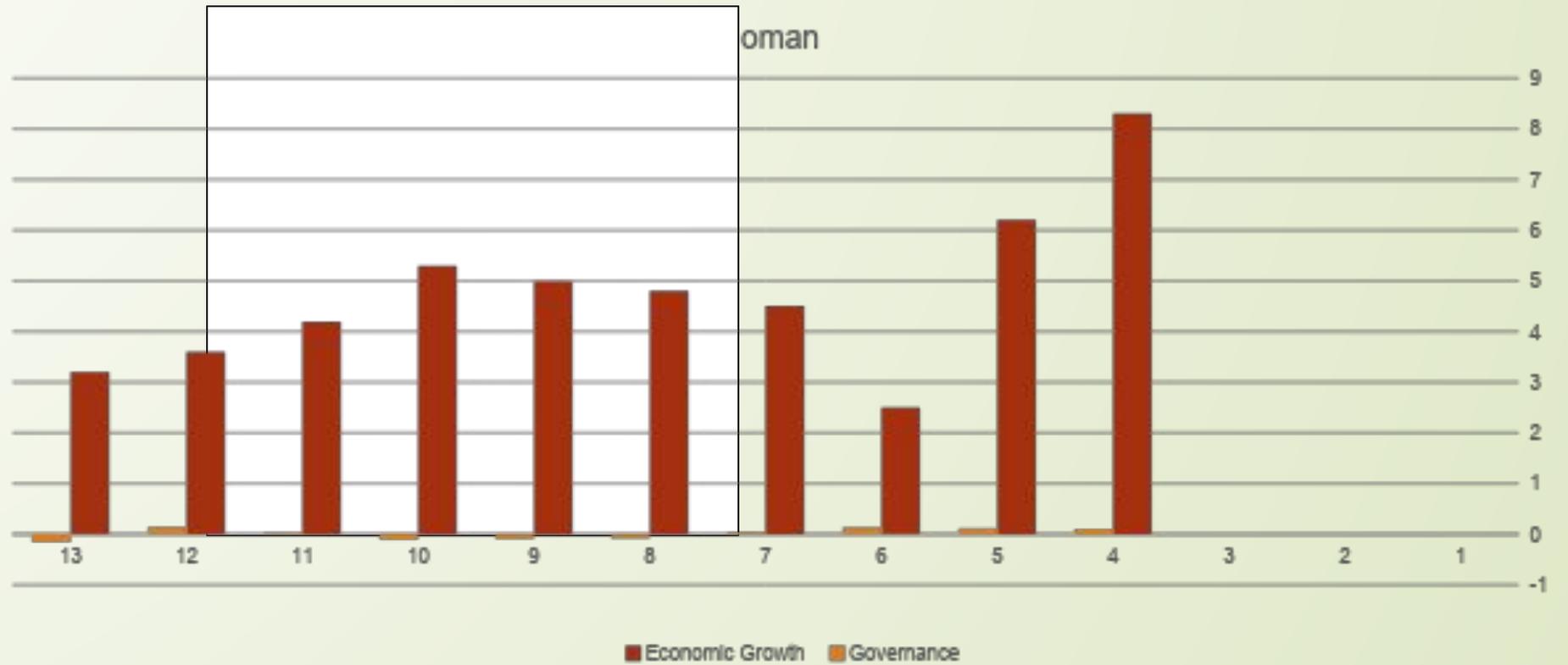
GOVERNANCE & ECONOMIC GROWTH EMARATES



Economic Growth and Governance Indicators in **OMAN** Years 2007-2016

Economic Growth	Governance 1+2+3+4+5+6 <hr/> 6	CC	RL	RQ	GE	PV	VA	YEAR
		6	5	4	3	2	1	
4.5	0.26	0.33	0.41	0.61	0.34	0.94	1.06-	2007
8.2	0.35	0.52	0.59	0.70	0.42	0.92	1.07-	2008
6.1	0.26	0.33	0.54	0.53	0.38	0.83	1.07-	2009
4.8-	0.18	0.32	0.54	0.44	0.38	0.59	1.17-	2010
4.1	0.09	0.14	0.47	0.32	0.32	0.43	1.06-	2011
5.8	0.14	0.18	0.52	0.47	0.47	0.46	1.02-	2012
3.9	0.12	0.16	0.49	0.48	0.48	0.46	1.04-	2013
2.9	0.24	0.31	0.49	0.69	0.69	0.73	1.09-	2014
3.0	0.17	0.27	0.38	0.57	0.57	0.78	1.06-	2015
4.0	0.24	0.37	0.43	0.61	0.61	0.80	1.11-	2016

GOVERNANCE & ECONOMIC GROWTH OMAN



CONCLUSION

Ranking of the sample countries in the variables
Governance and Economic Growth (average 2007-2016)

ECONOMIC GROWTH	GOVERNANCE	COUNTRY	RANKING
4.15	0.55	EMARATES	1
3.77	0.21	OMAN	2
2.81	0.03	KUWAIT	3
4.76	0.02-	BAHRAIN	4
4.93	0.31-	SAUDIA	5
3.60	1.44-	IRAQ	6

COCLUSION

- 1. There are three countries that have a positive governance, UAE, Oman and Kuwait, which means these countries have good results in the Governance variables for the last ten years.**
- 2. . There are Three countries with Negative Governance outcomes were Iraq, Saudi Arabia and Bahrain.**
- 3. The UAE was ranked first and Iraq ranked last in governance variable**
- 4. There is no relationship between the variable governance and economic growth in the sample countries because they are oil countries**



THANK YOU