Analysis Of The Socio-Economic Approximation Of Developmental Reforms, Strengthening Governance And Controlling Corruption In Mena -Panel Models – 1996-2022

تحليل تقريب الاقتصاد الاجتماعي للإصلاحات التنموية وتعزيز الحوكمة والتحكم بالفساد لدى دول MENA – نماذج بانل – 1996/2022

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Abstract:

The launch of sustainable development and welfare reforms requires the detection of obstacles, they have proven useless as a result of bureaucracy and corruption, despite the various natural, human and financial capitals of the South and the Third World that qualify them to confront poverty and unemployment, support local and international competitiveness, What necessitates reforming them by governing the performance, which indicated the importance of social indicators that refer to the characteristics of social construction; The network of relationships, values, trust, exchange, participation, communication and information, collected by the Social Progress Index (SCI) in this study, that aim to testing its impact on achieving well-being, in parallel with the governance index, through the application Panel models, on a sample of 21 countries in MENA region, during the period 1996-2022;The result study indicated the strength of the positive effect and the existence of a long-term relationship between them.

Keywords: Social Progress Index (SCI), Corruption, Governance, Sustainable Development, Panel-Models,

ملخص:

إن اطلاق اصلاحات التنمية والرفاهية المستدامة يستدعي الكشف عن العراقيل والمعيقات، لأنه اثبتت عدم جدواها نتيجة البيروقراطية والفساد، برغم ما تتمتع به دول العالم الثالث من موارد طبيعية وبشرية ومالية متنوعة تؤهلها، في مواجهة الفقر والبطالة، ودعم التنافسية المحلية والدولية، وحتمية اصلاحها بحوكمة الاداء الحكومي، وهو ما ابرز اثر واهمية المؤشرات الاجتماعية بالرجوع إلى خصائص ومظاهر البناء الاجتماعي؛ شبكة العلاقات، القيم والمبادئ، الثقة، التبادل، المشاركة، الاتصال والمعلومة، يجمعها مؤشر التقدم الاجتماعي SCI في هذه الدراسة، بهدف اختبار تأثيره على احراز الرفاهية والتنمية، بالموازاة مع مؤشر الحوكمة، من خلال تطبيق نماذج البانل والتكامل المشترك والنماذج السببية على عينة من 21 دولة في منطقة الشرق الأوسط وشمال إفريقيا، خلال الفترة 1996–2022، وقد أشارت الدراسة إلى قوة التأثير إيجابي ووجود علاقة طويلة الأمد بينها.

الكلمات المفتاحية: مؤشر التقدم الاجتماعي SCI، الفساد، الحوكمة، التنمية المستدامة، نماذج البانل

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1. INTRODUCTION

The Attention has increased in the issue of corruption and has been linked to political efficiency and effectiveness, and the launch of economic reforms in the eighties as a result of their negative effects on economic and social development. Given the seriousness of this phenomenon locally and globally, international cooperation (governments, parliaments, non-governmental organizations, businessmen, various media and the private sector) was required.) to confront it, and to show great interest in reviewing the current arrangements to confront corruption and develop strategies, and to employ the network of relationships available by belonging to groups and social organizations, which is a social structure that has its advantages in facilitating the expected or outcome processes and resources, which makes the mutual relations have continuity and become more Utilitarian as referred to by (Bourdieu, 1980) and transforming them from fleeting, momentary links into selective, necessary and utilitarian relationships through acquaintance, recognition and exploration of knowledge between members and between groups, including rules, principles or beliefs, availability of information, gained and expanded trust between members and those dealing with them, solidarity and coordinated cooperative action, The same is true of public goods and mutual exchange Turk, and "the special competence considered in the knowledge of true bonds and the art of employing them carefully for the sake of social exchange, which requires a cost in effort and time" (Bourdieu, 1980), The sources for the creation of the Social Progress Index are the sum of the basic social units responsible for the creation and mobilization of the Social Progress Index (SCI). They were drawn up by the World Bank and the Organization for Economic Cooperation and Development .(OCDE, 2001): The Family; School; Companies; Civil Society; Public Sector; Communities; Ethnicity and Complementary Male / Female

On the basis that the basic hypothesis is that governance is a prerequisite for sustainable development and reform programs, and the other hypothesis that complements it is that it serves as capital along with the rest of the types of physical, financial and economic capital, according to the methodology of descriptive, statistical and inductive analysis in the study. We have previous studies on the problem of governance, development, performance effectiveness, and the importance of economic and financial reforms) Bourdieu(1980 ، (KAUFMANN, KRAAY, & MASTRUZZI, 2008) (KAUFMANN, KRAAY, & ZOIDO-LO, 1999) (STREN, 2005) (Woolcock & Narayan, 1999) (SWAIN & DININIO, 1999)

2. Theoretical and Empirical Literature:

2.1 Governance, Corruption And Government Work:

The Concept of governance or rationalization of government work is due to the structure of the government apparatus, i.e. through its constituent institutions, and linking it to civil society, development and prosperity, where the government apparatus consists of three main types of institutions, respectively (STREN, 2005):

- Political and Administrative: political and legal institutions that are concerned with strengthening the state's right and freedoms by respecting regulations and principles, and citizens' access to justice and security.

- Economic: governmental economic institutions, whose objective is to ensure effective work, the effectiveness of economic work, and the optimal management of economic resources.
- Civil Institution: The collection of basic public sector social services institutions that improve the quality of health and education for citizens as well as their participation and interventions that contribute to the structure of development   .

The Good Governance is an emerging idea in theoretical and applied economic research, and it represents the generation of recent economic reforms announced, and "Governance is a complex and not entirely clear concept, complex because it often overlaps with 'government', and is unclear because its meaning has a different connotation" (STREN, 2005) Because government is defined as "the set of institutions, methods and traditions that influence the exercise of power, decision-making and the manner in which citizens fulfill their voices and aspirations" (STREN, 2005), The various concepts of governance have been developed by the World Bank, and the approach focused on that is that good governance is a condition for development (markets), which is one of the strong axes in the fight against poverty, and for the World Bank, the concept of governance is synonymous with "good management of development." The problem with structural adjustment programs based on the policy of proposing solutions and developing economic techniques:

➢ The World Bank: "Governance is the way in which power is exercised in the public conduct of economic and social resources towards development" (WORLD.BANK, 2007, p. 5) In a more clear and accurate way, we say that it is "the sum of the methods and foundations through which power becomes a practice within the state, and this certainly includes:
- Mechanisms, by which the government figure and individuals are appointed, followed up and confirmed.
- The ability and ability of the government to develop effective formulas and implement impressive programs.
- The commitment and respect of citizens and the state to the institutional bodies (political and legal) that govern economic and social interactions between them" (KAUFMANN, KRAAY, & ZOIDO-LO, 1999)
➢ Organization for Cooperation and Assistance for Development (CAD) and Organization for Economic Co-operation and Development (OCDE): "Governance is the exercise of political power as well as control within the framework of managing society's resources for the purposes of economic and social development" (CAD & OECD, p. 1).
➢ The United Nations Development Program (PNUD) presented the definition of good governance based on seven basic characteristics: the presence of "political legitimacy and support, the existence of an efficient justice system, control over bureaucracy, freedom of information and expression, effective and effective management of the public sector and, finally, cooperation with civil social organizations" (PNUD, 1995) .

2.2 **The Corruption Concepts** (CHINHAMO & SHUMBA, 2007) :
- Waterbury 1973 "Corruption is the abuse of public power to serve private ends.

- Nye 1967 "Deviating behavior from official obligations in the public role for the sake of a private view (personal - family closure - private clique) financial or certain degrees in transgressing the regulations with practices that have a specific effect on the class.
- Alam 1989 "Corruption is sacrificing the basic objectives of the agents... It is the transgression of the specific rules for the behavior and actions of the agents (various partial dealings)"
- Curzon (1997) "The temptation with ill-conceived intent to transgress contractual obligations".
- Garner 2004 "The effect of doing something for the purpose of taking advantage is inconsistent with official discipline and the rights of others, an official using a position or function to reserve personal gain, or someone infringing on the rights of others.
- Neild 2002 "Public person's violations of rules and obligations for a private financial or political gainful purpose".
- The World Bank has defined corruption through the activities under it as follows: "misuse of public office for private gain." (KAUFMANN & KRAAY) It usually occurs when an employee accepts, demands, or extorts a bribe to facilitate a contract or conduct a public tender, as it happens when agents or mediators of private companies or businesses offer bribes to take advantage of policies or public procedures to overcome competitors and achieve profits outside the framework of applicable rules and laws. Corruption can also occur through the use of public office without resorting to bribery, by appointing relatives or directly stealing state funds . (KAUFMANN & KRAAY).
- The Swedish International Development Cooperation Agency States" The Swedish International Development and Cooperation Agency states that corruption appears whenever "organizations or persons gain by mistake by their position in the job as well as harmful and improper reasons", and "corruption spreads within the government's jurisdiction whenever the legal apparatus is The middle mass and public administration are weak and undeveloped
- OCDE considers corruption "an infringement practiced in the public and private sectors" (GURRIA, 2006, p. 5)

Among the most important observations recorded on the above mentioned definitions is that: Corruption is due to the uncontrolled use of the power and responsibility available to the group; is a deviation in the conduct of an official position for a private or racial purpose; Corruption has a strong connection to the public sector in terms of public goods and services; Corruption takes place in the public sector and the private sector, that is, in the sense of misusing the public trust entrusted to it by the public or private group; Corruption is a deviation from functionally defined interests, and a violation of general rules and unanimous obligations; Corruption is on the micro and macro level, and it is organized and unorganized; The advantage of corruption is that people within institutions, groups and various networks are also involved in the abuse of power, position and responsibility entrusted and causing corruption; There is a clear correlation between social capital and corruption, where corruption is a deviation and transgression in the employment of public social capital, given that it is a public good, towards achieving a special interest that deviates from the objectives of cooperative work and is equal in providing appropriate opportunities, trust and information, and its effectiveness in confronting corruption and its effects.

2.3 **Types Of Corruption** (MARIA & al, 2004, p. 10)

The Petty Corruption, which includes junior employees, and major corruption by senior officials and officials from ministers and heads of state, which is related to the upper macro-level of government, which is negatively reflected on trust, especially public .(STREN, 2005)   . The direction of the work of the adult government and its institutions, and at this level affects sustainable economic development through selected and applied strategies and programs, and poor distribution of resources and incomes, which leads to widening the field of inequality and marginalization and widening the scope of poverty and unemployment, and can destroy the economy of the entire country, and by linking it to the concept of The social indicator and its types We find a weakness in the power networks referred to by Woolcock, which are the "Linking" networks (Woolcock & Narayan, 1999)

2.4 **Indicators Of Government Of The Political, Institutional And Legal Arrangements** (KAUFMANN, KRAAY, & MASTRUZZI, 2008):

- Transparency and Accountability Index: It examines the methodology by which citizens can contribute to the selection of government officials with whom they deal and cooperate. It includes freedom of expression, press and participation in decision-making.
- Political Stability Index: the index examines the possibility of overturning government institutions by following the founding work or coup and chaos, which provides the degree of political maturity and government action.
- The Effectiveness Index Of Government Authority: it evaluates the quality of public service, i.e. researches the quality of bureaucracy, the competence of workers, the independence of public work from political specificities, establishes government credibility, measures and implements effective policies, and guarantees good public service.
- Regulatory Quality Index: looks at the criteria that control market variables, policies and strategies elected by political, legal and institutional bodies, which are related, for example, to foreign trade, business development and the private sector.
- Justice and respect for rights index: Measuring the citizen's degree of confidence in the applicable regulations on rights, criminal action and tolerance, effectiveness and legal and judicial justice, and supporting commitment towards contracts and transactions, in order to establish an appropriate environment of fair regulations and laws that frame economic and social relations.
- Corruption Control Index: The concept, as previously mentioned, is to transform the public responsibility or authority entrusted to the government person to special purposes and biased benefits despite the legal arsenal and deterrent systems, within government agencies, and its relationship with the private sector.

2.5 **The Importance Of The Social Progress Index (SCI) And Its Positive Impact On Research And Study**

The Social Progress Index (SCI) refers to the manifestations of social construction; rules, trust and social networks that facilitate coordination and cooperation for the purpose of mutual interests (Putnam, Bowling Alone, 1995). (Bourdieu, 1980), and thus it is multi-criteria and

indicators, both theoretical and normative (Grootaert, Narayan, Veronica, & Woolcock, 2004), that is, "it is not a single unit, but rather a variable of units that are united by the specificity of their entry into the social structure and then serve the processes and goals Agents and groups" (Coleman, 1988), and it was decided "It's not what you know; it's who you know" ("It's not what you know, but who you know") and detailing it from four angles (Coleman, 1988).

- The Economic Approach based on the hypothesis that people maximize their personal benefit by their decision to participate and integrate with others.
- Responsibility, authority, and the role of political and social institutions and principles in determining actions and behaviors, and in order to promote development, investment climate, sustainable business, and a decrease in poverty. (Bennett, 2021)
- Anthropology pertains to the biological nature of human assembly, its behavior, and its natural affiliation
- The Social Perspective in the study of social resources and sources of the indicator and the statement of the advantages of human organization with ties, trust and rules of exchange

The Theoretical Analysis of the social progress indicator now imposes the existence of a synthetic concept for it and it is not defined by a direct link to a specific formative element that is limited to it alone and does not extend to others. other than economic, human and natural capital" (Ndayegamiye, 2007) The indicators in it vary according to the structural difference of the social networks that will later control the determinants and forms of the indicator of social progress and its types (the theory of paths of Burt 1992 (weak "temporary" links) Coleman, Bourdieu, because in its nature it has a common social origin, which calls for this multiplicity and interlocking structure, which in the end It is studied according to the chosen research problem and its direction, whether economically, socially, or otherwise (LEVESQUE, 2005);

- Multiple classes and levels of features and resources such as information, monitoring, and solidarity links.
- Using it to achieve multiple and different goals.
- Loss of the positive impact when losing his employment in the service of the group and the fight against corruption.

The proposed theoretical and applied studies that focus on the concept of "nine include" Headings (Woolcock & Narayan, 1999), on which the work revolves, and they are all factors involved in the strategy for achieving development, the investment and business climate (Bennett, 2021), and social and economic well-being in general.

2.6 The Evaluation Of The Advanced Concepts Of The Social Progress Indicators

(Coleman, 1988) The Indicator defines social progress as follows: "social organization The indicator constitutes social progress, facilitating the achievement of goals that cannot be achieved in its absence or can only be achieved at a higher cost." After that, we find a definition (Putnam, Leonardi, & Raffaella, Making Democracy Work ; Civic Traditions In Modern Italy, 1993) It states similar characteristics "The social progress indicator refers to the features of social organization, such as trust, rules, and networks that can improve the efficiency of society..." In the same context,

"there are other definitions that characterize the social progress indicator not in terms of outcomes but of where the relationships or interdependence between individuals (Darlauf & Fafchamps, 2004) And the resources available and obtained through it, which is the basic idea that is presented by researchers in different forms and research around it, so that later in the research we find (Putnam, Bowling Alone, 1995) defines it as "...the bonds between individuals - the social networks, and the rules of reciprocity and trustworthiness that arise from them", and we also find Ostrom – 2000 The indicator wrote Social Progress is "the sharing of knowledge, understanding, norms and expectations about the patterns of interactions brought about by groups of individuals through repeated processes " (Darlauf & Fafchamps, 2004) ‹In a similar context we find (Bowles et Gintis (2002) "generally attributed to trust, related to a person's attachments, the desire to live by the approved rules established within a given society and to punish dissenters" (Darlauf & Fafchamps, 2004), Also an introduction to the social progress indicator comes in the possibility of defining it practically as the operational resources available in social networks, as well as access to and use by agents in operations; It is the network of organized social relations that facilitates access to and exploitation of resources thanks to those social aspects and characteristics that exist. Therefore, the concept has two important elements (LIN, 1999):

- Social relations and their implicit resources.
- Access to resources and invest them effectively.

Regarding For Promote trust and exchange efficiency; "a source on which the indicator of social progress depends, and on the other hand, it is a consequence of it, and it is almost like a substitute value for a number of rules, beliefs, and values that support social cooperation" a trust is related to people and their trust in others, as well as the question if people are really trustworthy, that is, what we call mutual trust, and trust is a good indicator of honesty and honesty that combines multiple factors, including networks, common values and rules, and a distinction can be made between three types of trust (OCDE, 2001): Trust between acquaintances (family, colleagues, neighbors) and trust between foreign people. Confidence in public, private and international institutions; Public goods, their promotion. In other regarding For Public goods and the achievement of social justice are an essential feature of the social progress indicator, such as education, health, services provided, and so on, as all of them belong to the group and its members, since the social progress indicator originates from social networks, and since its concept does not lie in the person alone or in the group, Rather, in the rich bonds established between agents within these networks, the resources collected and related to these networks become public goods, as his example affirmed .(Coleman, 1988)

3. An Econometric Study Of The Index Of Social Progress And Governance And Its Impact On The Business Climate In Mena Countries 1996-2022
3.1. Data And Methodology

The study of the experimental model in the applied study is according to the data of what is known as the Social Progress Index, which has three basic axes (Porter, Stern, & Green, 2022), (Porter M. , 1985) which are built from prior efforts to classify it towards measuring business environment and well-being (Bennett, 2021); The experimental indicators employed in the applied study are first the

governance and corruption index (KAUFMANN, KRAAY, & ZOIDO-LO, 1999), the social progress index, and the economic well-being index (PNUD, 1995).

**Table .1. Description Of The Variables Considered In The Analysis.**

Variable	Definition	Source
Dependent Variable		
(VPI) The Genuine Progress Indicator	The Genuine Progress Indicator (Veritable indicateur de progression VIP) is an alternative indicator to the Gross Domestic Product (GDP) or the Human Development Index (HDI) in an attempt to measure changes in a country's real well-being. method of calculation, it is very close to the sustainable well-being index. The VPI formula is GPI = Cadj + G + W - D - S - E – N Where: Cadj = personal consumption with income distribution adjustments; G = capital growth; W = unconventional contributions to welfare, such as volunteerism; D = defensive private spending; S = activities that negatively impact social capital; E = costs associated with the deterioration of the environment; N = activities that negatively impact natural capital	WORLD BANK. World Development Indicators", Washington DC; WDI https://databank.worldbank.org/source/world-development-indicators https://trendsmena.com/economy/mena-nations-make-some-genuine-progress/ https://www.undp.org/fr/taxonomy/term/7211
Independent Variables		
SCI the social progress index	The social progress indicator refers to the features of social organization, such as trust, rules, and networks that can improve the efficiency of society	WORLD BANK ; (SOCAT) Social Capital Assessment Tool http://web.worldbank.org /archive/website00518/WEB/OTHER/ SOCIA-14.HTM Biondi-M.B, Chairman, Social Progress Imperative, social progress imperative,
GI the governance index	Governance is the way in which power is exercised in the public conduct of economic and social resources towards development	D.Kauffman, World Bank Governance Indicators 2022 Worldwide Governance Indicators
CPI corruption index	Deviating behavior from official obligations in the public role for the sake of a private view (personal - family closure private clique) financial or certain degrees in transgressing the regulations with practices that have a specific effect on class.	Transparency International Commission; 2022. www. Transparency.org/cpi/index

Source: Researchers' elaboration.

3.2 The Results Of Measuring Indicators And Their Developments During The Period 1996 - 2022 In MENA Countries

Here we will present the most important results of measuring indicators and their developments during the period 1996 and 2022 at the level of MENA countries, the rest of the world, and regional and international groups.

Figure .1. Graph Of Measurement Developments During The Study Period On Mena Countries
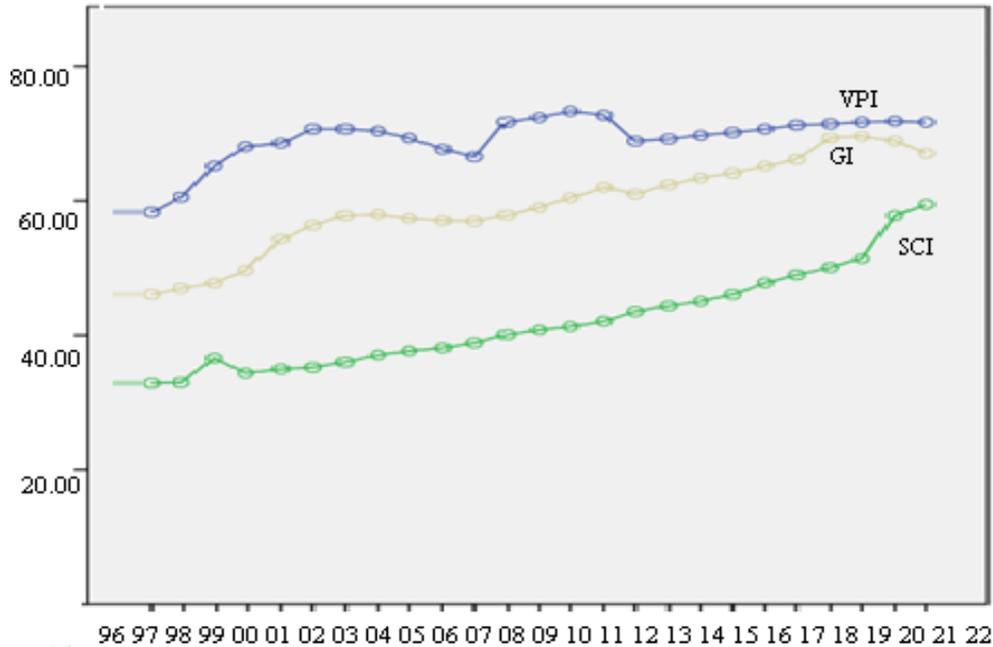
Source: Researchers' elaboration.

Figure .2. Comparison Of The Social Progress Index (SCI) Measures And Its Dimensions In Mena With The Internationally And Regionally Average Scores
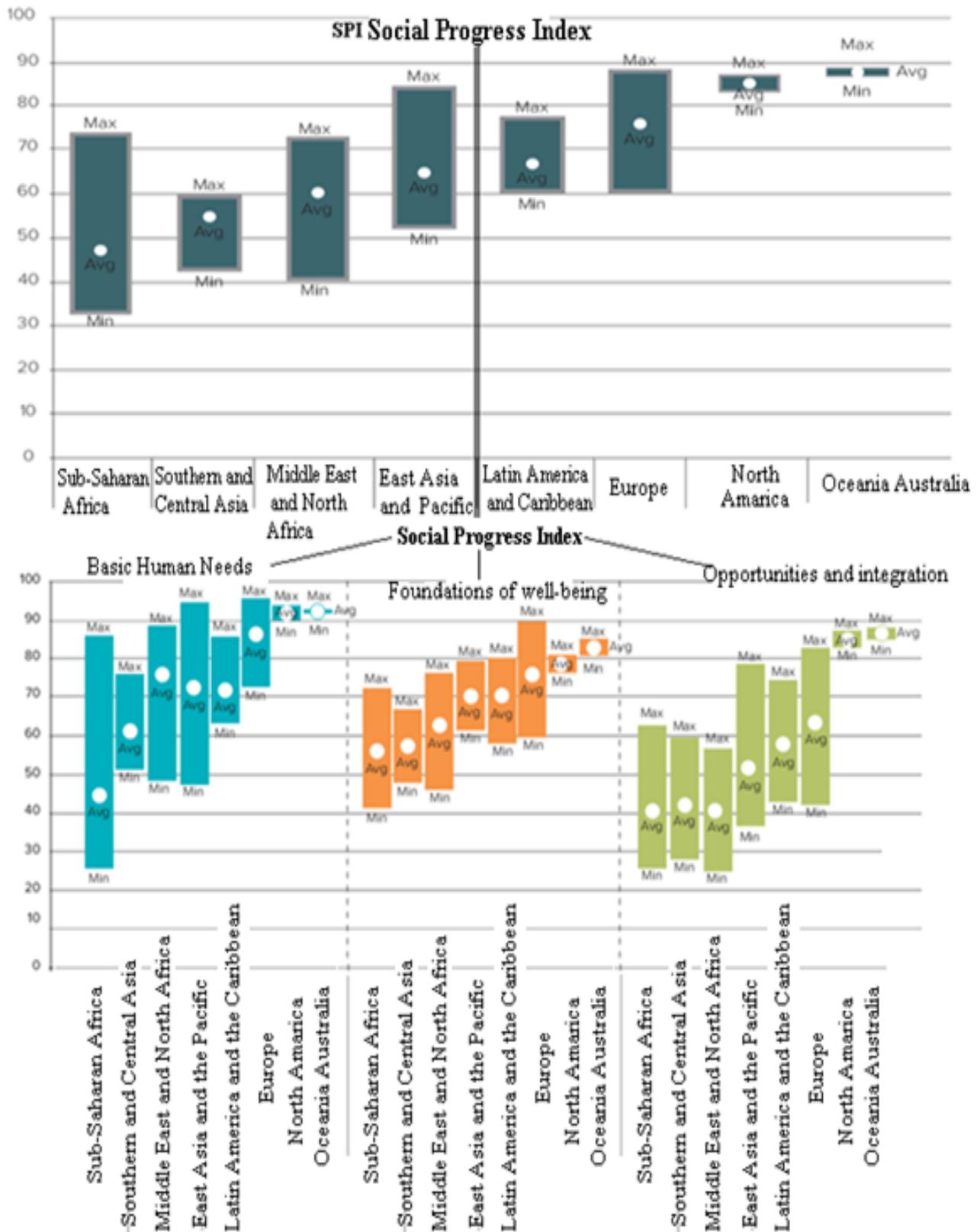
Source: (Porter, Stern, & Green, 2022, p. 47)

Table .2. The Social Progress Index (SCI); Its Components And Its Relationship With The Millennium Development Goals (underlined)

Social Progress Index SCI		
Foundations of Wellbeing	**Opportunity**	**Basic Human Needs**
Access to Basic Knowledge	**Personal Rights**	**Nutrition and Basic Medical Care**
Adult education rate Primary registration education Secondary registration, lower / higher education Equitable enrollment for both sexes in secondary education	Rights of political action and participation Freedom of speech, freedom of assembly/association membership Freedom of movement Private property rights	malnutrition Food deficit maternal mortality rate Stillbirth rate infant mortality Mortality from disease infection
Access to Information and Communications		
	Personal Freedom and Choice	**Water and Sanitation**
Mobile phone registrants Internet users. Press freedom rate	Freedom of private life choices Freedom of religion Freedom to delay marriage Request for contraception corruption	Water access to the tap, rural access to well-equipped water sources, easier access to well-equipped sanitation
Health and Wellness		**Shelter**
Hope for life and life Premature mortality not related to infection Obesity/obesity rate Altot outside the residence Suicide rate	**Tolerance and Inclusion**	Providing decent housing for living] Access to electricity The quality of electricity supply Pollution of domestic air Residence
Ecosystem Sustainability	Tolerance of expatriates Dealing with homosexuals Religious tolerance Social peace Discrimination and violence against minorities	**Personal Safety**
Greenhouse gas emissions Water withdrawal rate from biological and environmental sources	**Access to Advanced Education**	place of murders The level of the criminal act, the criminal view, the political crime traffic deaths
	Final years of schooling Average mothers' years of schooling - Unfairness in educational attainment Rank of the public university	

Source: (Biondi & Chairman, 2015-2020, p. fig 1.4 p32) (Porter, Stern, & Green, 2022) (timeshighereducation, 2013/14) (topuniversities) (shanghairanking, 2013)

3.2 Estimation Strategy:

Linear Model (Darlauf & Fafchamps, 2004):

GPI = C + **SCI** + GI +CRPT + ε, either private or general so that:

C: Constant

GPI: The Genuine Progress environment Indicator and Human Well-Being Index (representing outcomes).

GI: Controlling obligations and duties index, taken by general government action.

SCI: Variable of Social Progress Index

CPI: Corruption Index

The variable of Social Progress Index is an exogenous variable (Darlauf & Fafchamps, 2004), the government work index is an exogenous variable (Kraay, Kaufmann, & Mastruzzi, 2016), and the business environment and welfare index is an internal dependent variable. General format of panel data models; So that:

$$Y_{it} = \beta_{0(i)} + \sum_{j=1}^{k} \beta j.Xj_{(it)} + \varepsilon_{it}$$

T = from 1996 to 2022; N = 21 countries from the MENA

- Pooled Regression Model:

$$Y_{it} = \beta_0 + \sum_{j=1}^{k} \beta j.Xj_{(it)} + \varepsilon_{it}$$

i=1, 2....N   t=1, 2 ...T

- Fixed effects model

$$Y_{it} = \alpha_1 + \sum_{d=2}^{n} \alpha_d.D_d + \sum_{j=1}^{k} \beta j.Xj_{(it)} + \varepsilon_{it}$$

i=1, 2....N   t=1, 2 ...T

- Random effects model

$Y_{it} = \mu + \sum_{j=1}^{k} \beta j.Xj_{(it)} + v_i + \varepsilon_{it}$ + _j=1^k?β j. Xj_(it)+v_i+ε_it

i=1, 2....N   t=1, 2 ...T

3.3 The Study Steps Of The Experimental Panel Models

Step One: Estimating The Standard Model And Determining The Type Of Regression

Table .3. Regression Study Results For Each Type

	VPI	Prob	Coefficient	Std. Error	t-Statistic	R-squared	Adjusted R-squared	Durbin-Watson stat	F-statistic
Pooled	c	0.000	41.88325	1.51835	27.58467	0.425610	0.422303	0.240734	128.6831
	SCI	0.000	0.410367	0.03596	11.40950				
	GI	0.000	0.312860	0.04981	6.280951				
	CPI	0.527	-0.094719	0.04877	-1.942083				
Fixe effects	c	0.0000	40.54928	1.62767	24.91234	0.468276	0.439389	0.232551	16.21091
	SCI	0.0000	0.464563	0.04228	10.98663				
	GI	0.0000	0.326656	0.05002	6.530279				
	CPI	0.0088	-0.129815	0.04935	-2.630512				
Random effects	c	0.0000	41.88325	1.49573	28.00188	0.425610	0.422303	0.240734	128.6831
	SCI	0.0000	0.410367	0.03543	11.58206				
	GI	0.0000	0.312860	0.04906	6.375949				
	CPI	0.0492	-0.094719	0.04804	-1.971457				

Source: (Eviews 8)

First: The Hausman Test for choosing between the second and third models, fixe /random effects

H_0 null = random effects model

H_1 alt= fixe effects

Table .4. The Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Period random	18.989950	3	0.0003

Source: (Eviews 8)

Result: We reject the null hypothesis H0 and accept the alternative hypothesis H1, i.e. we reject random effects and accept the model according to the effects fixe:

Second: Estimating the effects fixe using the DUMMY dummy variables

Write the dummy variables = 20 variables, i.e. N-1

VPI=C(1)+C(2)*SCI+C(3)*P+C(4)*CORR+
C(5)*D2+C(6)*D3+C(7)*D4+C(8)*D5+C(9)*D6+C(10)*D7+C(11)*D8+C(12)*D9+C(13)*D10+C(14)*D11+C(15)*D12+C(16)*D13+C(17)*D14+C(18)*D15+C(19)*D16+C(20)*D17+C(21)*D18+C(22)*D19+C(23)*D20+ C(24)*D21

In order to test our hypotheses test Wald we put:

c(4)=c(5)=c(6)=c(7)=c(8)=c(9)=c(10)=c(11)=c(12)=c(13)=c(14)=c(15)=c(16)=c(17)=c(18)=c(19)=c(20)=c(21)=c(22)=c(23)=c(24)=0

Null Hypothesis H0: Pooled Regression Model i.e. all dummy variables = 0

Alternative Hypothesis H1: The regression is fixed effects model

Table .5. Wald Test Result

Test Statistic	Value	df	Probability
F-statistic	98.93150	(21, 501)	0.0000
Chi-square	2077.561	21	0.0000

Source*: (Eviews 8)*

Therefore, we reject the null hypothesis H0 and accept the alternative hypothesis H1

According to the result of the Hausman Test and F-statistic, the prob is less than 0.05

The fixed effect is the most suitable model and thus:

VPI=64.33899+0.201898*SCI+-0.117902*GI+0.014684*CPI+ 18.21317*D2-4.575122*D3+1.201950*D4-5.939520*D5+24.64238*D6+6.564940*D7+10.08591*D8+ 6.007634*D9+8.248554*D10-24.27699*D11-9.531625*D12+4.719054*D13+12.59676*D14+5.066155*D15-27.84099*D161.112093*D17+ 5.943409*D18+6.817102*D19+16.57915*D20-27.51812*D21

The Second Step: Stationarity Study Of Variables

We note that stability is achieved at the first difference for all the four variables

Stationarity Study of VPI Well-Being Index

Table .6. Stationarity Study VPI

	Method	Statistic	Prob.
Individual effects	Levin, Lin & Chu t*	-9.54219	0.0000
	Im, Pesaran and Shin W-stat	-9.29181	0.0000
	ADF - Fisher Chi-square	162.624	0.0000
	PP - Fisher Chi-square	191.656	0.0000
Individual effects, individual	Levin, Lin & Chu t*	-6.70789	0.0000
	Breitung t-stat	-2.26749	0.0117
	Im, Pesaran and Shin W-stat	-7.91930	0.0000
	ADF - Fisher Chi-square	140.787	0.0000
	PP - Fisher Chi-square	154.981	0.0000
None	Levin, Lin & Chu t*	1.22058	0.8889
	Im, Pesaran and Shin W-stat	-	-
	ADF - Fisher Chi-square	11.7412	1.0000
	PP - Fisher Chi-square	9.21846	1.0000

Source*: (Eviews 8)*

The VPI is stable according to the majority of the significant results of the mentioned tests according to the first and second considerations, except for the consideration of not taking the cross-sectional and the none trend.

Stationarity Study of Social Progress Index SCI

Table .7. SCI Stationarity Study

	Method	Statistic	Prob.
Individual effects	Levin, Lin & Chu t	35.3206	1.0000
	Im, Pesaran and Shin W-stat	3.70360	0.9999
	ADF - Fisher Chi-square	76.3291	0.0000
	PP - Fisher Chi-square	725.408	0.0000
Individual effects, individual linear trends	Levin, Lin & Chu t	-1095.44	0.0000
	Breitung t-stat	5.46322	1..0000
	Im, Pesaran and Shin W-stat	-715.737	0.0000
	ADF - Fisher Chi-square	366.048	0.0000
	PP - Fisher Chi-square	1669.67	0.0000
None	Levin, Lin & Chu t	12.7978	1.0000
	Im, Pesaran and Shin W-stat	-	-
	ADF - Fisher Chi-square	75.1604	0.0013
	PP - Fisher Chi-square	206.644	0.0000

Source: (Eviews 8)

Stability is achieved according to most tests because we reject H0 the existence of the root of unity and accept H1

Stationarity Study of CPI Index

Table .8. CPI Stationarity Study

	Method	Statistic	Prob.
Individual effects	Levin, Lin & Chu t	56.3410	1.0000
	Im, Pesaran and Shin W-stat	67.8682	1.0000
	ADF - Fisher Chi-square	6.31651	1.0000
	PP - Fisher Chi-square	18.3630	0.9994
Individual effects, individual linear trends	Levin, Lin & Chu t	14.8528	1.0000
	Breitung t-stat	8.62346	1.0000
	Im, Pesaran and Shin W-stat	14.1422	1.0000
	ADF - Fisher Chi-square	71.4682	0.0031
	PP - Fisher Chi-square	289.913	0.0000
None	Levin, Lin & Chu t	45.8668	1.0000
	Im, Pesaran and Shin W-stat	-	-
	ADF - Fisher Chi-square	19.1658	0.9990
	PP - Fisher Chi-square	1.29925	1.0000

Source: (Eviews 8)

Stability is achieved according to most tests because we reject H0 the existence of the root of unity and accept H1 .

Stationarity Study of Variable GI

Table .9. Stationarity Preview of Government Work Index GI

	Method	Statistic	Prob.
Individual effects	Levin, Lin & Chu t*	-4.00121	**0.0000**
	Im, Pesaran and Shin W-stat	-3.66403	**0.0001**
	ADF - Fisher Chi-square	105.724	**0.0000**
	PP - Fisher Chi-square	129.977	**0.0000**
Individual effects, individual linear trends	Levin, Lin & Chu t*	-2.49451	**0.0063**
	Breitung t-stat	-0.89054	**0.1866**
	Im, Pesaran and Shin W-stat	-6.85437	**0.0000**
	ADF - Fisher Chi-square	125.059	**0.0000**
	PP - Fisher Chi-square	113.694	**0.0000**
None	Levin, Lin & Chu t*	5.29105	
	Im, Pesaran and Shin W-stat	-	-
	ADF - Fisher Chi-square	4.25475	**1.0000**
	PP - Fisher Chi-square	5.62703	**1.0000**

Source: (Eviews 8)

Stability is achieved according to most tests because we reject H0 the existence of the root of unity and accept H1

Stationarity Study of Variable CPI

Table .10. Stationarity Preview of Government Work Index CPI

	Method	Statistic	Prob.
Individual effects	Levin, Lin & Chu t*	-7.90167	0.0000
	Im, Pesaran and Shin W-stat	-9.80952	0.0000
	ADF - Fisher Chi-square	176.241	0.0000
	PP - Fisher Chi-square	353.363	0.0000
Individual effects, individual linear trends	Levin, Lin & Chu t*	-5.50134	0.0000
	Breitung t-stat	-9.50531	0.0000
	Im, Pesaran and Shin W-stat	-7.45881	0.0000
	ADF - Fisher Chi-square	133.167	0.0000
	PP - Fisher Chi-square	336.294	0.0000
None	Levin, Lin & Chu t*	-14.7734	00000
	Im, Pesaran and Shin W-stat	-	-
	ADF - Fisher Chi-square	267.654	0.0000
	PP - Fisher Chi-square	440.772	0.0000

Source: (Eviews 8)

Stability is achieved according to most tests because we reject H0 the existence of the root of unity and accept H1

Step Three: Study The Cointegration Test

First: Johansen Fisher's Cointegration Test

Table .11. Johansen Fisher's Cointegration Test

Hypothesized	Fisher Stat. (from trace test)	Prob.	Fisher Stat. (from max-eigen test)	Prob.
None	303.7	0.0000	256.2	0.0000
At most 1	96.96	0.0000	65.98	0.0105
At most 2	62.16	0.0232	46.80	0.2818
At most 3	74.96	0.0013	74.96	0.0013

Source: (Eviews 8)

We reject the first null hypothesis and pass to the second null hypothesis, reject it and pass to the third and reject it, because the probability is less than 0.05 for trace test and max-eigen test, and therefore there is a total integration of the variables.

Second: The Kao Residual Cointegration Test

Table .12. The Kao Residual Cointegration Test

ADF test	HAC var	Residual var	t-Statistic	Prob.
	12.16377	13.48755	-8.545801	0.0000

Source: (Eviews 8)

The null hypothesis is rejected and the alternative is accepted

Step Four: Test Causality Of Granger

Table .13. Test Causality of Granger

null hypotheses	2 Lags:		
	Prob.	Zbar-Stat.	W-Stat.
SCI is not a reason for VPI	0.0129	2.48735	3.63479
VPI is not a cause of SCI	0.0252	-2.23845	1.00379
VPI is not a reason for GI	0.642	-0.464	1.991
GI does not Granger Cause VPI	0.0039	-0.89249	8.42407
CPI does not Granger Cause VPI	0.0097	0.33657	6.73225
VPI does not Granger Cause CPI	0.0198	0.08515	5.46580

Source: (Eviews 8)

SCI is a reason or Explanatory variable for VPI; in mutual relationships that;

VPI is a cause or Explanatory variable of SCI

VPI is not a reason or Non-explanatory variable for GI; in monogamous relationships that;

GI does Granger Cause or Explanatory variable for VPI

VPI does not Granger Cause GI

CPI does Granger Cause or Explanatory variable Cause VPI; in mutual relationships that;

VPI does Granger Cause or Explanatory variable CPI

3.4 **Results And Discussion:**

- The significance of the coefficients and model; positive impact of the indicator of social progress and government political, institutional and legal arrangements on VPI development and well-being index.
- Rejection of the null hypothesis and therefore the coefficients of the independent variables are different from zero
- Increasing the index of social progress good governance and corruption by one unit leads to an increase in business environment and welfare by 0.46; 0.32 and – 0.12 respectively
- Coefficient of determination 0.90 explains the regression relationship with a percentage of 90%
- Durbin-Watson stat 0.709492
- The Long-term relevance of the role of social progress index in achieving sustainable business environment and prosperity.
- Strong significant correlation in proving the standard relationship on the MENA
- SCI is a reason or Explanatory variable for VPI ; in mutual relationships that VPI is a cause or Explanatory variable of SCI
- VPI is not a reason or Non-explanatory variable for GI; in monogamous relationships that GI does Granger Cause or Explanatory variable for VPI
- CPI does Granger Cause or Explanatory variable Cause VPI ; in mutual relationships that VPI does Granger Cause or Explanatory variable CPI
- Practically, the study variables for the independent variables, which are the social index to indicate the impact of civil society and the characteristics of social construction, the variable of business governance, policies and programs, and the index of transparency and corruption control, are all combined according to the standard model showing their positive impact on the long term in framing the dependent variable about facilitating investment, development and welfare Within the MENA region for the period 1996-2022, which allows us to predict and measure future expectations according to the development of the study variables.

4. Conclusions:

It has been clearly confirmed the dimensions of our problematic, about the impact of the Social Progress Index and the governance of government activities, and programs on the business environment and the development of human well-being in the Middle East and North Africa region in the long term and the strength of the relationship between the welfare and human development index as a dependent variable and the Social Progress Index as an independent explanatory variable along with the governance of political and legal institutional bodies, confirms This confirms the role of the positive social progress indicator in the process of stimulating the business environment and sustainable prosperity, and the validity of the hypotheses put forward by the fact that:

- The social indicator is important, manifested in communication, the rich network of high-density and diverse relationships, and the necessary set of resources, information, trust and teamwork that it carries (the interlocking, complex or complex concept) that we seek to lose.
- The advanced social index has a positive impact on accelerating the process of the business environment, achieving sustainable prosperity, and launching development.
- The indicator also has a practical and utilitarian value, which is translated through its role in facilitating operations between various agents, within and between groups and networks, and according to its multiple and varied uses in the Middle East and North Africa region, it has a positive impact on its business environment, government activities, policies and strategies.
- The previously announced indicators and variables serve the economic and financial market, integrating and making available various resources and economic, financial, human, intellectual and material capital for development.

The effectiveness of government governance and its rationalization and achieving a level of social progress are important factors towards prosperity in the Middle East and North Africa group, combating unemployment, poverty, marginalization, isolation, sectarianism, social and political conflict, administrative corruption, and others, in light of the set of developmental qualifications that the group possesses, including economic, social, cultural and environmental indicators. And natural and others, remain hostage to this relationship and its kind. And a degree between civil society and the political, institutional and legal arrangements that translate at the level of government work - governance -.

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