

Towards sustainable development: Public financial governance' role in promoting inclusive growth in Qatar

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Received: 21/07/2026

Accepted: 10/08/2026

Published: 01/09/2026

Abstract:

This paper aims to examine the role of Public financial Governance in prompting inclusive growth in Qatar. It evaluates how the quality and effectiveness of public financial governance support inclusive and sustainable economic development. Using analytical and empirical approach, findings revealed a positive relation between public financial governance practices within Qatar, reflected in its indicators and performance, and strengthening sustainable and inclusive economic development.

Results demonstrated a positive upward trend in implementing effective public financial governance in Qatar economy, this was evident in the improved public budget indicators, Scoring the highest in Governance effectiveness indicator among Arab countries, and the worldwide Governance indicators. This contribute to a better resource allocation and progress toward sustainable and economic growth in Qatar.

Key Words: Public financial Governance; inclusive growth; public budget; Public expenditure.

JEL Classification : H83, O43, Q56, O53

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Introduction

Public financial governance has gained increasing attention due to its important role in achieving sustainable and inclusive economic growth. it checks the extent to which governments adhere to the principles of transparent financial reporting, accountability and efficient public expenditure in managing public sources through implementing an effective budgeting. Good Public financial governance practices emphasize the compatibility between the use of public funds to enhance the quality of public services and support economic growth, hence promote social welfare. By which strengthens public trust and to long term countries national development.

Qatar has shown evolving interest in public financial governance through its efforts to diversify its economy beyond hydrocarbons and achieve its objectives of Qatar National Vision 2030. Many actions were taking by Qatar such as fiscal reforms,

enhanced budget management and build stronger financial institutions to distribute growth equitably via fiscal sustainability. While Qatar has put efforts towards these goals. It remains important to examine whether these reforms translated into broader Economic and Social benefits. Therefore, this study investigates the role of public financial governance in promoting inclusive growth in Qatar. Hence the Problematic posed by this study is: **How does Public Financial Governance affect Inclusive Growth in Qatar?**

Study Objective: To Examine the effect of public financial governance on inclusive growth in Qatar. Also analyse how governance influences inclusive growth, by examining policies, practices, and outcomes that contribute to, or hinder equitable economic development.

Study Methodology: This study adopts a qualitative descriptive and analytical approach on the evolving initiatives in Qatar and their impact on the study elements, using governance and suitability inclusive growth indicators, along with data results comparison, also using empirical model OLS linear regression to estimate that impact of Public Financial Governance on inclusive growth covering the period 2000–2024.

The study is divided to the following axes:

- Unlocking inclusive growth through effective public financial governance
- Evaluating the effectiveness of Public Financial Governance in promoting Inclusive Growth in Qatar
- PFG impact on IG: Qatar case

I. Unlocking inclusive growth through effective public financial governance:

Achieving Inclusive growth nowadays relies on how public resources are governed, revenue is distributed and spending are directed to appropriate economic sectors, public financial governance is essential of this process. Sound budgeting, transparent expenditure, rigorous oversight, and institutional accountability determine whether growth lifts the whole economy

To understand how the economy can strengthen its public financial governance to support inclusive growth looking at practices, reforms, and accountability mechanisms needed to align fiscal management with equitable outcomes.

1. Interrelation between Inclusive Growth and Public financial governance:

1.1 Measuring Public Financial Governance Performance:

Public financial governance focuses on determinants of system quality, it impacts fiscal outcomes, and has a role in broader governance objectives like reducing or/limiting corruption and revenue mobilization.

a. Public financial governance: Public financial governance is referred as Public financial management, it is a vital variable of effective administration that underlies

all government activities. Public financial management PFM encompasses mechanisms through which public resources are collected, allocated, spent (government spending) and accounted for (Matthias Morgner, 2015). The PFM system is described in terms of annual budget cycle by which ensures public expenditure is well planned, executed, accounted for, and scrutinized. It includes 4 key phases:

- **Budget Formulation:** the budget is prepared in regard with government fiscal policies, strategic plans and adequate macroeconomic and fiscal projections;
- **Budget Execution:** the budget is executed within a system of effective standards, processes and internal controls, ensuring that resources are obtained and used as intended;
- **Accounting and Reporting:** Accurate and reliable records are maintained, and information is produced and disseminated at appropriate times to meet decision making, management, and reporting needs;
- **External Scrutiny and Audit:** Public finances are independently reviewed, and there is external follow-up on whether the executive has implemented the recommendations for improvement (Jens Kromann Kristensen, 2019).

Sound public financial governance is considered as a main pillar of reform, essential for providing high quality public services and maintaining fair economic and social conditions (Matthias Morgner, 2015), the primary objectives of these systems are to achieve aggregate fiscal discipline also ensure the strategic allocation of resources compatible with priorities and promote operational efficiency to achieve maximum value for money spent by the government (Jens Kromann Kristensen, 2019).

In governance, the landscape is evolving through digital transformation, E-government and digital services are increasingly used to automate financial processes and enhance transparency. governments are now using organic laws to modernize governance, consolidate the role of parliament in financial oversight, and establish multi-annual expenditure rules to ensure long-term fiscal sustainability (European Commission, 2026), on its end, Qatar have utilized these frameworks to transition from hydrocarbon-intensive models to knowledge-based private sector-led growth (IMF, 2024).

b. Public Financial Governance Measurement tool: the tool used to diagnose and assess public financial governance is the Public Expenditure and Financial Accountability, which means government expenditure from the budget, provides a shared information pool for shareholders to assess how systems contribute to budget outcomes (World Bank, 2006), Public financial management involves technical tasks, its performance is measured through budget credibility, transparency, and external audit (Public budget expenditures examined by Public Audit institutions; Public auditors, government or public-sector auditors, also financial auditors and performance auditors, and compliance auditors). However, there is a gap between

the form and the function, where countries might adopt the appearance of Public Financial Management systems without improving actual functionality. The Public Expenditure and Financial Accountability covers Budget credibility, transparency of public finances; management of assets and liabilities, Policy-based fiscal strategy and budgeting; Predictability and control in budget execution; Accounting and reporting, External scrutiny and audit.

Table 1: The Public Expenditure and Financial Accountability pillars

PEFA pillars	Measurements	Scoring	Level
Budget credibility	measured by comparing actual revenues and expenditures with the original budget.	high level of performance that meets international good practices	A
Transparency of public finances	Budget classification, Budget documentation; Public access to fiscal information	sound performance in line with the elements of international good practices	B
Management of assets and liabilities	public investments provide value for money, assets are recorded and managed		
Policy-based fiscal strategy and budgeting	prepared with due regard to government fiscal policies, strategic plans, and adequate macroeconomic and fiscal projections.		
Predictability and control in budget execution	ensuring that resources are obtained and used as intended		
Accounting and reporting	the comprehensiveness, accuracy and timeliness of information on budget execution	Basic level of performance	C
External scrutiny and audit.	the audit of the government's annual financial reports and the independence of the external audit function.	below basic level of performance	D

Source: Compiled by author based on PEFA reports.

The table shows how government budget is implemented as intended upon budget reliability. It is measured by comparing actual revenues and expenditures with the original budget in one year in the country that will allow us to understand the level of performance; which could be calculated by 3 ways: Aggregate expenditure outturn, Hence the extent to which aggregate budget expenditure outturn reflects the amount originally approved, as defined in government budget documentation and fiscal reports or Expenditure composition outturn, means the extent to which reallocations between the main budget categories during execution have contributed to variance in expenditure composition, and use of contingency reserves or Revenue outturn, means the change in revenue between the original approved budget and the end of year outturn (PEFA, 2016).

Transparency of Public Finances means comprehensive budget classification, transparency of all government revenue and expenditure including intergovernmental transfers, published information on service delivery performance and ready access to fiscal and budget documentation (Richard Allen, 2020).

Public asset management is the extent to which the government conducts economic appraisals, selects, projects costs, and monitors the implementation of public investment projects, with emphasis on the largest and most significant projects.

1.2 Inclusive growth:

Inclusive growth is defined as Rapid and sustainable upon economy growth. Contribute to equality of opportunity focusing on absolute poverty reduction rather than merely redistributing income (Elena Ianchovichina, 2009).

IG allows people to contribute to and benefit from economic growth, in the long run, it should be broad-based across sectors, and inclusive of the large part of the country's labor force (Elena Ianchovichina, 2009)

OECD defines inclusive growth as economic growth that is distributed fairly across society and creates opportunities for all (Aidyn Bibolov, 2022), inclusive growth in its broad sense includes four pillars: benefit sharing, participation, opportunity, and empowerment

Qatar score high above 90 in inclusive growth measured by Sustainable Development Goals (SDG) Index (summarizes overall performance across the 17 Sustainable Development Goals and their targets, helping track progress).

Higher scores indicate better performance , Qater scores higher in 2019 to 2024, illustrated in the following table:

Table 2: Sustainable Development Goals index in Qatar

Year	Score	Rank
2019	91	66
2021	94	66
2023	100	66
2017	98	63
2018	106	60
2020	103	64
2022	94	66
2024	102	64

Source: Compiled by author based on Qatar open data

Evaluating Qatar inclusive growth indicators (Economy, living conditions, Equity, and Environment), recorded total GDP of \$ 219.16 billion in 2025, GDP per capita 76689 \$ same year, whilst Unemployment Rate 0.13 % in 2025, however CPI index 108.06 in 2024 (world Bank, 2024).

Qatar ranking in the Financial Inclusiveness Index 64, this was reflected on economic indicators, illustrated in Qatar economy growth improvements, along with the very low unemployment rate. Thus, achieving inclusive growth through enabling equity, equality of opportunity and protection of market and employment transitions. Hence, achieving inclusiveness for a large part of the country 'work force (Government of Qatar open data, 2026).

Qatar recorded no poverty according to Poverty indicator throughout all years, whilst achieving a high sustainable growth record, and a low 0.4% female drop out of school.

The Essential Health Services index assess progress towards universal health coverage and the broader health-related Sustainable Development Goals. Qatar track the evolving of this index since 2000 (recorded 52), up to 76 in 2021, reflecting the country's access to essential health services for both the general population and the most disadvantaged groups. This considered as a progress in expanding health service coverage, evident in the steady increase by 46%.

Qatar also ranked 85.85 in Government Effectiveness in 2023 (Arab Development Portal, 2026).

1.3. Public financial Governance and Inclusive growth

Public financial governance has witnessed increasing attention as a structural determinant of how growth is distributed across society (Jens Kromann Kristensen, 2019). While the classical growth has long examined the relationship between institutional quality and aggregate GDP expansion. However, the attention is shifted towards **inclusive growth** that benefits are shared across income groups rather than concentrated among elites.

a. Governance quality effecting inclusive growth: The implementation of Effectiveness, Efficiency, and Economy in PFG support achieving an effective public governance, and ultimately enhance inclusive growth. Governance quality changes directly how much the country can collect. Thus, a weak PFM can suppress tax collection, shrink resource base that is available for inclusive spending on health, education and social protection.

According to (Benedict Clements, 2025) findings on expenditure governance, fiscal redistribution, particularly well-targeted health and education spending significantly raise the probability of a country achieving inclusive-growth episode. Moreover, governance of spending allocation through targeting mechanisms, execution efficiency is as important as the volume of spending itself. Also the study of (Gazi Salah Uddin, 2026) modeled institutional and fiscal-framework capacity as a moderating variable rather than a control variable, finding that the inclusive effects of equity-promoting spending including health, education, housing, social protection, environmental protection were most pronounced in advanced economies with robust fiscal governance frameworks, while emerging and developing economies where PFM systems are typically weaker saw comparatively modest gains despite similar spending patterns. This is strong evidence that PFM quality functions as a multiplier on the inclusive-growth returns to public spending, rather than spending volume alone driving outcomes (Gazi Salah Uddin, 2026).

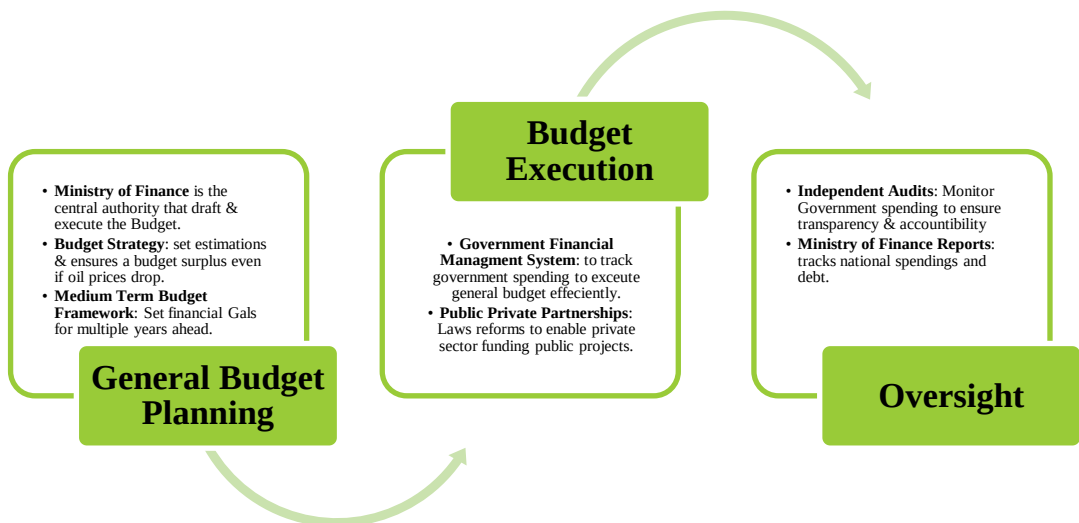
Transparency is another pillar of governance quality, (METZ, 2024) explored how fiscal transparency influences sovereign risk pricing and borrowing costs, and found that Enhanced fiscal transparency is correlated with reduced sovereign bond rates by decreasing information asymmetry, transparent governments are perceived as less risky by financial markets, which lowers the risk premium demanded by investors. Additionally, transparency has a much more significant impact on long-term interest rates, this underscores its role in shaping long-term fiscal credibility rather than immediate market fluctuations. For governments improving fiscal transparency is not merely a matter of good governance but a strategic tool to ensure more sustainable public finances.

2. Qatar's Economy and Public Governance structure:

Public financial management framework in Qatar encompass the public institutions, applicable laws and regulations and processes whereby public resources are planned and appointed to be executed than audit the performance throughout the financial year (BDO, 2026).

The system used to manage this process is centralized coordinated by the Ministry of Finance in Qatar, along with the council of minister's oversight and the state Audit Bureau, side by side with the central Bank of Qatar as supreme institutions for overseeing the management of public funds and the flow of money. This framework aims to maintain fiscal sustainability whilst supporting achieve the country long term development strategy upon Qatar National Vision 2030 (KPMG, 2025). Ultimately, they following figure summarizes the core PFM components in Qatar.

Fig. 1: Qatar Public Financial Management: from Budget planning to execution



Source: Compiled by Author based on Qatar Ministry of Finance data, 2026.

The figure above illustrates Qatar Public Financial Management framework, starting with the general budget formulation where the Ministry of Finance issues budget preparation guidelines to government entitlements by which agencies submit expenditure proposals based on government priorities and expected revenues (Government of Qatar open data, 2026), these submissions are combined into one draft of national budget, keeping in mind macroeconomic objectives.

Executing the general annual budget goes along with the Ministry of Finance role to monitor expenditure execution, cash management and revenue collection throughout the financial year. this helps the government to respond to changes in energy prices or fiscal conditions whilst committing to the outlined budget.

Budget execution accounting and financial reports are generated by recording financial transactions using standardized public accounting procedures by the Ministry of Finance, the latter establish well informed reports on revenues expenditure, budget balance and fiscal performance, also underlines transparency and promote evidence based fiscal policy.

Auditing and monitoring of budget implementation are carried out by an independent external oversight provided by State Audit Bureau, the latter audits government entities, evaluate adherence to financial regulations and assesses whether public funds have been used efficiently and effectively (State Audit Bureau, 2025). Nevertheless, its audit findings help strengthen Government Accountability also reduce the risk of financial mismanagement, also promote the overall public governance practices.

This framework poses the question on the effectiveness of its budget implementation over the years reflected by its budget's indicators. The following table summarize Qatar public budget indicators in the period from 2021 to 2025.

Table 3: Qatar public budget indicators 2021-2025

Indicator (QAR billion)	2021	2022	2023	2024	2025
Total revenue	160.1	196.0	228.0	202.0	197.0
Oil revenue	121.6	154.0	186.0	159.0	154.0
Non-oil revenue	38.5	42.0	42.0	43.0	43.0
Total expenditure	194.7	204.3	199.0	200.9	210.2
Budget balance	-34.6	-8.3	29.0	1.1	-13.2

Source: Compiled by author based on Qatar Ministry of Finance, state Budget 2021-2025.

The data in the table above indicate that Qatar's public finances remained resilient despite fluctuations in hydrocarbon revenues. This shown in the **total revenue** rising from QAR 160.1 billion in 2021 to QAR 228 billion in 2023, driven mainly by higher oil and gas revenues (due to the increase of average oil price from \$40 in 2021 per barrel to \$65 in 2023), before declining to QAR 197 billion in 2025 due to a lower global energy prices and the government's conservative revenue assumptions. **Non-oil revenue** on the other hand remained relatively stable increasing from QAR 38.5 billion in 2021 to QAR 43 billion in 2025 suggesting gradual progress in Economic diversification but continued depending on hydrocarbon income.

Qatar **government Total expenditure** remained relatively stable throughout the period from 2021 to 2025, ranging between QAR 194.7 billion in 2021 and QAR 210.2 in 2025 billion demonstrating consistent fiscal discipline and continuity in financing public services and strategic development projects.

The **budget balance** of Qatar **improved significantly** from a deficit of QAR 34.6 billion in 2021 to the surplus of QAR 29 billion in 2023 reflecting the positive impact of high energy revenues, however it return to QAR 13.2 billion deficits in 2025 reflecting Qatar's exposure to fluctuations in hydrocarbon markets (oil rises dropped from \$65 per barrel in 2023 to \$60 per barrel in 2025) while maintaining expenditure on national priorities, specifically funding strategic sectors by dedicating allocations

for trade and Industry, research and innovation, tourism, digital transformation and information (Qatar Ministry of Finance, 2025).

In summary, these trends suggest that **Qatar public financial governance is effective** in maintaining fiscal stability through prudent budgeting, conservative revenue forecasting and controlled expenditure management. This also reflected on achieving inclusive growth by which development and social projects (Allocations for healthcare and education sector reached QAR 41.4 billion which represent 20% of the total 2025 Budget). This also has shown the government ability to sustain relatively stable spending despite revenue volatility, hence demonstrating an overall efficient budget execution and sound public financial management that support the implementation of national development objectives whilst preserving fiscal sustainability.

II. Evaluating the effectiveness of Public Financial Governance in promoting Inclusive Growth in Qatar

1. Enabling Financial governance practices towards inclusive growth in Qatar: indicators

Qatar has recorded improvement in its performance regarding Governance, Growth, Sustainability as the following:

-sustainability scores high 7 out of 10 scale showing advancement in the years from 2012 to 2016, then 7.5 in 2018 because of setting strategies to reduce carbon footprint, also improvement in management air pollution and carbon dioxide, the waste ration desalinated water cutting from 30% to 10 %, Also improvement in public transportation with installing metro rail network expecting to limit environmental pollution (The BTI Transformation Index, 2026), Qatar hosted the carbon neutral football FIFA World Cup in 2022 through the use of solar-powered stadiums and ground-breaking cooling and lighting technology improving sustainability index, also building smart city with \$45 billion urban development project (National Planning Council, 2022), the country kept sustainability score at 7 in 2020, 6.5 in 2022 but declined to 5.5 from 2024 to 2026 due relaying on seawater desalination, which demands massive energy, and carbon industrial power (The BTI Transformation Index, 2026);

-the country set benchmarks for progress, economic resilience in 2021 with 13.4% of GDP per capita growth comparing to -8.9% in 2020, and record 1.2 % in 2023,

-4.2 % in 2024, -1.1 % in 2025, but GDP per capita in terms of purchasing power parity, still one of the highest in the world, quickly resumed its pre-pandemic growth and rose to \$115,070 in 2024 (The BTI Transformation Index, 2026) and is expected

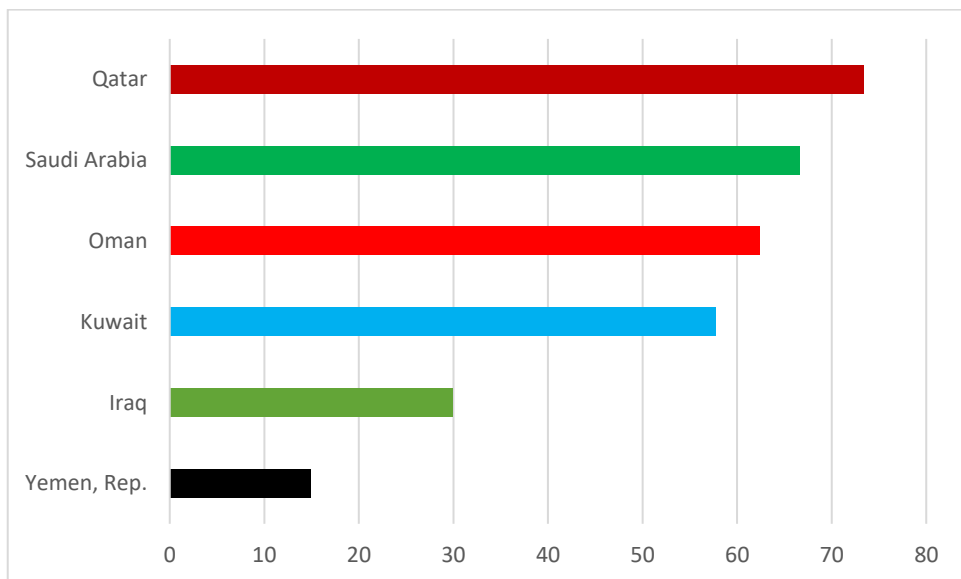
to rise further to 7 % in 2030 (Council, National Planning, 2022). Unemployment remains negligible, ranging from a rate of 0.12% to 0.13%, in 2022 to 2025 (Arab Development Portal, 2026), on the other hand GDP growth improved from 1.6% in 2021 to 4.2 % in 2022, 3.2 in 2024 (the world bank, 2026)., due to the expansion of non-hydrocarbon revenues. Also its commitment to innovation has garnered Improvement across multiple domains, such as e-government Development Index that measures how countries leverage information and communication technologies deliver public services, promote inclusion, and enhance governance.

Qatar digital transformation from 2003 to 2024 offers sustainable development, the index illustrates low base of 0.14 in 2003 than it accelerates to 0.79 in 2018, afterwards in 2022 record (0.61) followed by 2024 (0.77) (Government of Qatar open data, 2026),

In addition, Government Tech Maturity Index is high scoring 0.87 which measure how effectively governments leverage digital technologies enhances public sector performance, service delivery, citizen engagement, and enables environment for digital transformation, Internet users in Qatar reach 98.1% in 2024 indicating high rate of internet access for all citizens.

a. Governance Effectiveness in Arab region: Qatar performance: Qatar has emerged in governance, ranking first in top list of Arab countries in the 2024 Worldwide Governance Indicators.

Fig. 2: Government Effectiveness ranking in the region 2024



Source: compiled by author based on World Bank data

The chart above shows that Qatar scores the highest among the top list of Arab countries of 73.4 from 100 in 2024 reflecting strong performance which represent the high quality of public services, Followed by Saudi Arabia 66.6, than Oman 62.4, than Kuwait 57.7, these scores means gulf countries preforming above 50 due to higher resource endowments and sustained investment in public sector development

2.The Impact of Public financial governance initiatives in Qatar on inclusive growth:

Through the years Qatar established key strategies to promote Public financial Governance in order to attain inclusive growth within the country, the outstanding initiatives are the following:

a. Enhancing Qatar Budgetary processes: Concluded in both participatory budgeting that involves citizens and stakeholders in the budget formulation process to ensure that public spending reflect the needs and priorities of the community, and Performance based budgeting that implement performance metrics to evaluate the effectiveness of public spending and ensures that resources are allocated to programs that yield the best results (IMF, 2024). Qatar established regulations governing Public Financial Management (PFM) in 2017 to ensure transparency and accountability, aligned with international practices and standards such as the International Public Sector Accounting Standards (IPSAS) (FMI, 2024). This is also evident through Government Excellence program enhance government performance and encourage its entities to compete in applying Quality as a contribute to achieving the National vision 2030 (GCO, 2024).

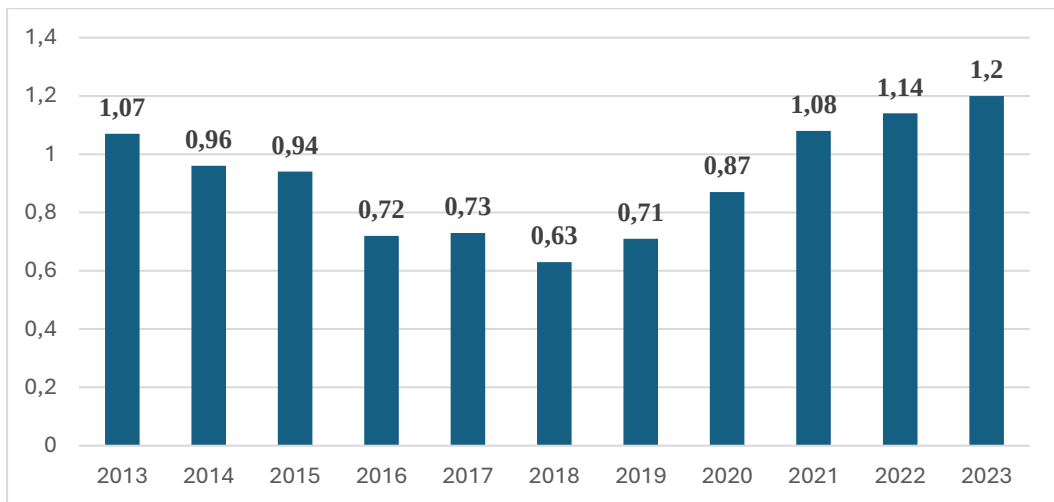
Digital Economy initiatives in 2020 concluded programs aimed at fostering innovation, especially for small and medium enterprise (SMEs) to enable access to financial resources. In 2024, the Qatar Financial Center Authority, the Qatar Financial Regulatory Authority and the Qatar central bank as regulatory bodies introduced a digital assets regulatory framework prompting innovation in the Fintech industry (QFC, 2024).

b. public financial governance practices Evolving in Qatar: The evaluation is mainly reflected upon Qatar performance in government effectiveness index, which captures perceptions of the quality of public services, the quality of the civil services and the degree of its independence from political pressure, the quality of policy formulation and implementation and the ability of the government's commitment to such policies.

The six governance dimensions: Voice and Accountability, Control of Corruption, Political Stability, Government Effectiveness, Regulatory Quality, Rule of Law.

b.1 Government Effectiveness indicator: The following chart gives an outlook Qatar performance in this index in the period from 2013 to 2023:

Fig. 4: Qatar Government effectiveness Index (2013-2023)

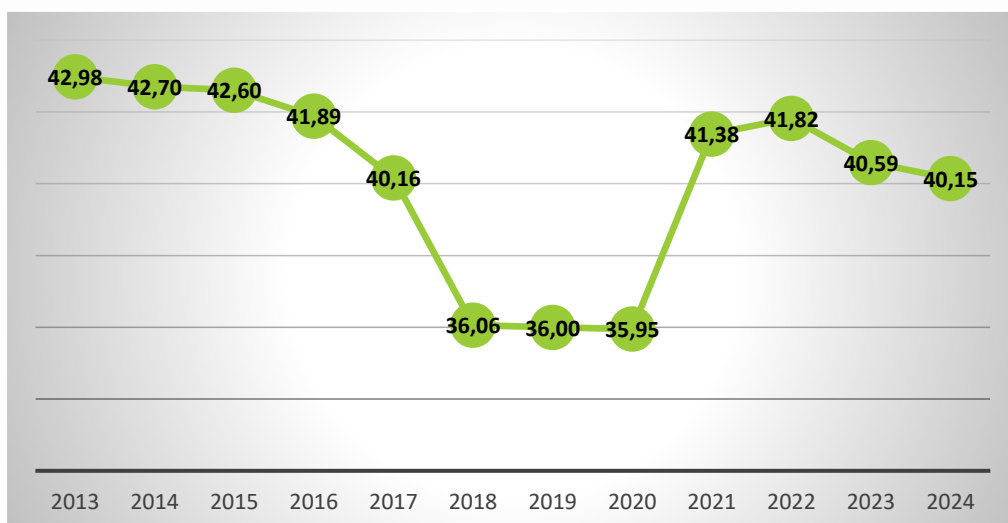


Source: World Bank, Worldwide Governance Indicators, 2024.

The chart above shows a high Government effectiveness of the quality of public services, the civil service, policy formulation and implementation, and the credibility of a government's decision (-2.5 and 2.5). 0.72 points and 0.73 points in 2016 and 2017 in a row, as a reflection of Qatar governance strategies, specifically launching a national development strategy for economic diversification and sustainable development also the reform in Public financial Management to strictly implement financial regulations to enhance transparency and accountability in these two years, However, in 2018 there was a slight fall in the index to 0.63 points, but soon the pattern rose to 0.87 points in 2020 in conjunction with the Qatar's digital Economy initiatives to promote innovation and entrepreneurship in the digital sector.

A noticeable increase of **1.14 points** in the year **2022** in time with hosting the FIFA World Cup, thereby a major infrastructure investments and international engagement boosting tourism and Economy, the highest value of Qatar Government effectiveness was in **2023** with 1.2 points, the country ranked **the second** after UAE from 18 Arab countries (Kabbani, 2025)

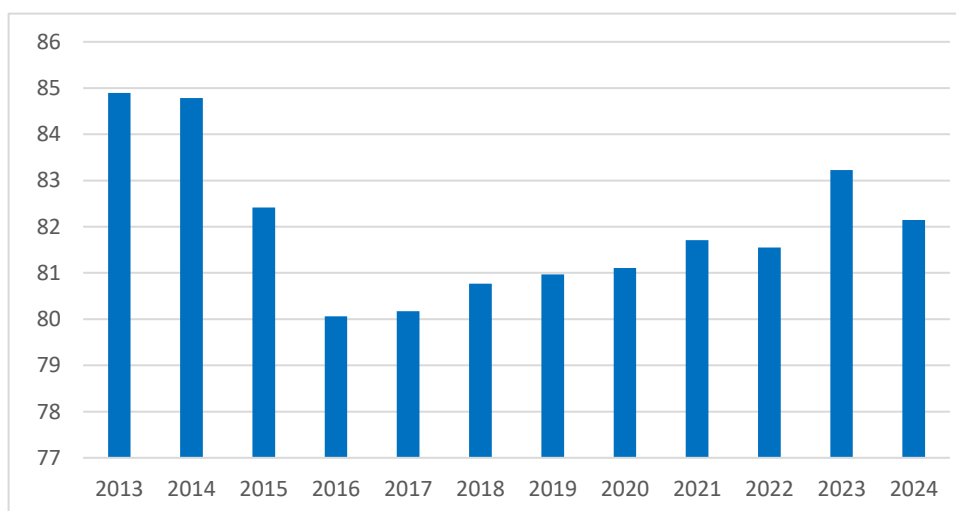
b.2 Voice and Accountability: it is the extent to which citizens can participate in selecting their government including electoral integrity, accountability mechanisms for citizens reflected in the ability to access information, governmental oversight bodies, digital media landscape

Fig.5: Qatar voice and Accountability Index (2013-2024)

Source: World Bank, Worldwide Governance Indicators, 2024.

Qatar score only fair on voice and Accountability index in the years of 2013 to 2017 but the score declines to around 36 in the years 2018 to 2020 which is low, then improved to 41 from 2021 to 2024 along with the improvement of other index such as government effectiveness.

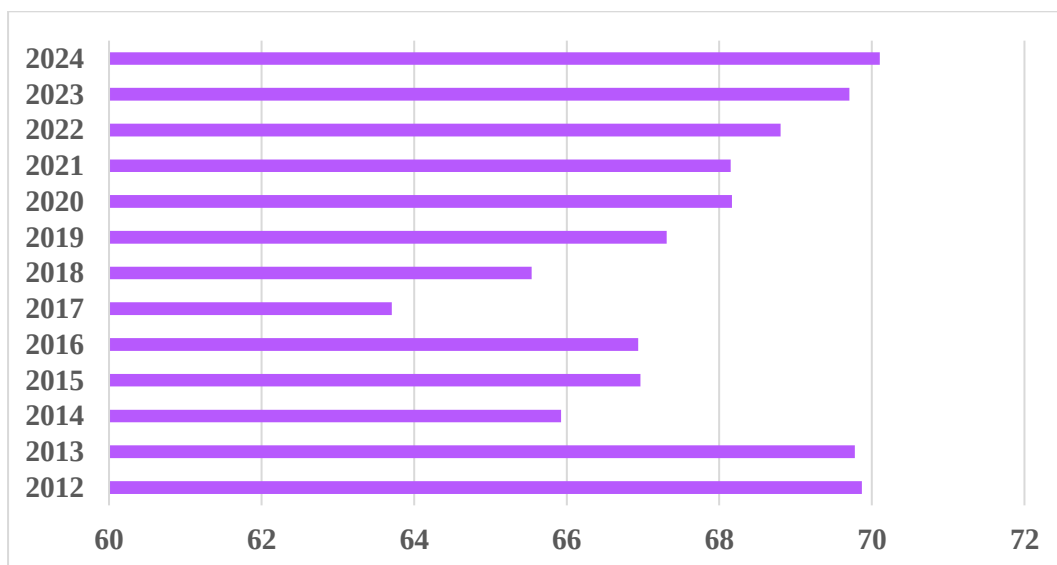
b.3 Political Stability: which means political power and governance are secure from destabilization, the likelihood that authority will be challenged, unconstitutional means.

Fig.6: Qatar Political Stability Index (2013-2024)

Source: World Bank, Worldwide Governance Indicators.

b.4 Regulatory Quality: the government's ability to design and implement policies and regulations that promote private sector development

Fig.7: Qatar Regulatory Quality Index (2013-2024)

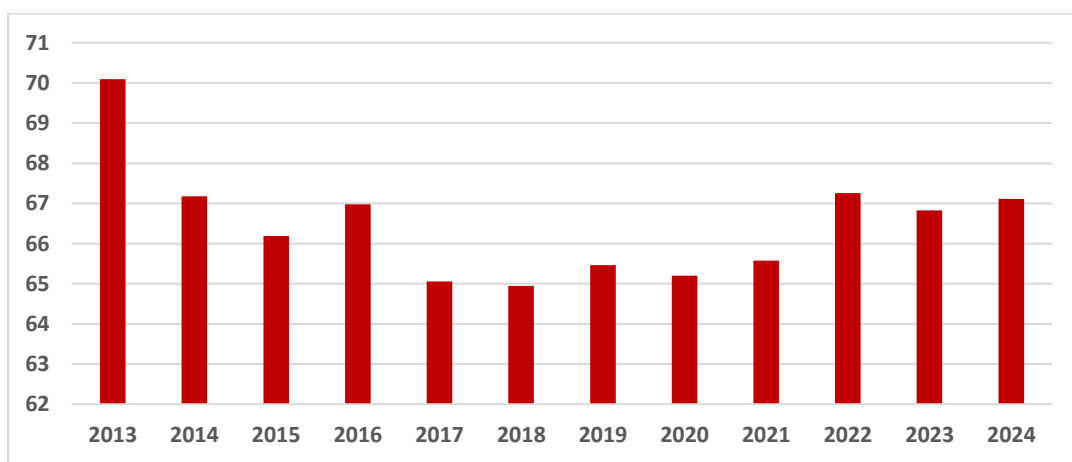


Source: World Bank, Worldwide Governance Indicators

The Fig above shows that Qatar promote private sector development over years which explained by the high score of Regulatory Quality Index around 70 in 2012 and 2013, while declined suddenly to 64 in years 2014 and 2017, then it continuously improving from 2018 to 2024 reaching 70.1.

b.5 Rule of Law: respecting and following the rules of society by agents, including contract enforcement, property rights, law, courts

Fig.8: Qatar Rule of law Index (2013-2024)

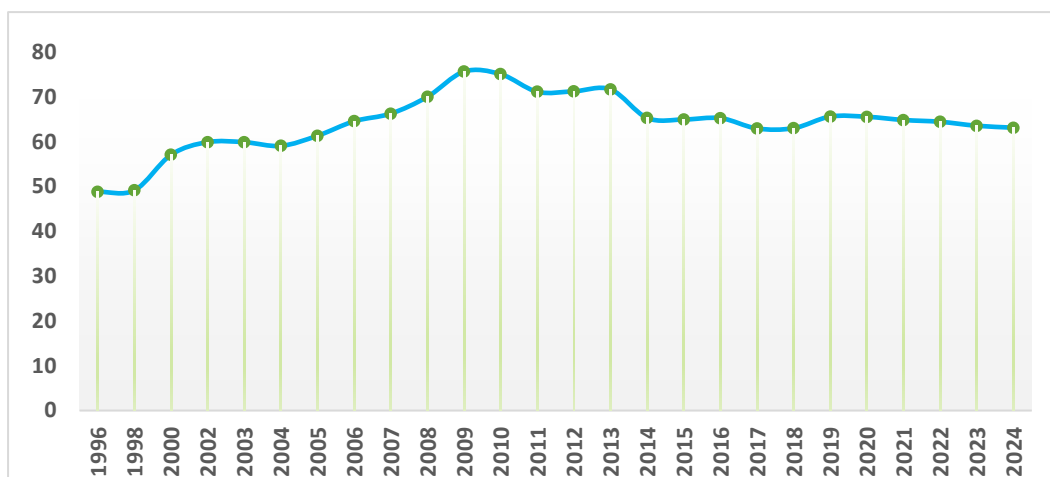


Source: World Bank, Worldwide Governance Indicators

The highest score of Rule of law Index for Qatar was in 2013 reaching 70 showing in fig 8, then kept scoring above 60 till 2024 that indicate that Qatar agents follow the law and respect contracts and other index components scoring 67.1 in 2024.

b.6 Control of Corruption: the extent to which public power in Qatar is used for private gain, including both petty and grand corruption, as well as capture of the state by elites and private interests, here it's a score from 0 to 100

Fig.9: World Governance indicator: control of corruption



Source: Compiled by author based on the world bank data

figure 9 demonstrate an upward trend in governance sub- indicator control corruption, throughout the years. It has continuously Improving by 56.4 % through the years from 1996 to 2009 (scores: 48.81, 75.65), however, the index's maintained high level around 65.5 till 2024.

III. Applied case on PFG impact on IG: Qatar

To investigate the impact of public financial governance on inclusive growth in Qatar from 2000 to 2024, we used OLS regression model, Dependent Variable is inclusive growth (measured by Human Development Index); Independents variables are Pro-poor Public Expenditure (measured by Health & Education spending as % of GDP), and the other independent variable is Government Effectiveness Index.

Variable	Variable components	Data source
Dependent Variable Y Inclusive Growth (IG)	Human Development Index	World bank data and Qatar open data
Dependent Variable X ₁ Financial Governance	Health & Education spending as % GDP)	World bank data
Dependent Variable X ₂ Governance Quality	Government Effectiveness Index	World bank Governance Indicators WGI

Source: Established by the author

We used HDI because it combines income and education, and health reflecting inclusive progress in the country, while using Government expenditure on education and Domestic general government health expenditure % of GDP, illustrate how public finances are allocated to promote equity, also using Government Effectiveness Index to measure the quality of public service delivery and policy implementation.

The empirical findings of the Ordinary Least Squares (OLS) regression analysis, illustrate the following Equations:

linear regression model Equation is:

$$IG_t = \beta_0 + \beta_1(\text{Public Spending}_t) + \beta_2(\text{Governance Effectiveness}_t) + \epsilon_t$$

$$IG_t = 0.7603 + 0.005(\text{Public Spending}_t) + 0.0685(\text{Governance Effectiveness}_t)$$

Results are in the following table:

Independent Variables	Model t	Model t ₁	Model t ₂
Constant β_0	0.7602885	0.765750597	0.752236404
Public spending x₁	0.005609 Se 0.0052590 P 0.29888512	0.005259053 Se 0.004951756 P 0.307223551	0.009107194 Se 0.004563185 P 0.059755568
Governance effectiveness x₂	0.06845658 Se 0.00956346 P 0.00000062	0.069983461 Se 0.008186498 P 0.000000	0.061405085 Se 0.008149661 P 0.000000290

Source: Established by the author

to explain the relationship between Inclusive Growth and Financial Public Governance we use simple method OLS ;

- **Model 1:** evaluates the immediate relationship between public financial governance and inclusive growth finding that constant = 0.7602) statistically significant ($< 1\%$) suggesting that if both public social spending and governance effectiveness were at zero, Inclusive growth of the country would stand at 0.7602. Public Social Spending is positive but insignificant which means the relationship between PSS is not statistically significant, the increase in GDP allocated to education and health spending with 1% it does Not directly guarantee an increase in IG. This lack of immediate impact implies that public health and education budgets do not yield instantaneous inclusive growth. Government Effectiveness impact is positive and significant at 1%, it means for every 1unit increase score in Government Effectiveness Index, the country's Inclusive Growth increases by 0.06848, which indicate that the quality of public institutions enhances inclusive growth, also good civil services, credible policy implementation, contributes to translating country national resources into equitable social progress
- **Model 2:** 1year time lag to investigate whether fiscal injections require a short operational delay to take effect, introducing a one-year temporal lag. Government Effectiveness remains significant However, Public Spending remains statistically insignificant, confirms that a single year is still an insufficient for public spending in education and health to generate growth.
- **Model 3:** 2 year Time Lag, Government Effectiveness maintains long-run significance ($p < 0.01$), Public Spending become statistically significant at 10% level (coefficient = 0.0052, $p = 0.0597$). demonstrating that for every 1% increase in education and health sector spending, rise in the inclusive growth manifests two years later. Government Effectiveness operates concurrently to maintain stability, while public spending functions as a midterm engine of growth.

Conclusion

The results yield a good public policy through applying good Public governance in Qatar could lead to increase inclusive Growth and expanding the fiscal budget for health and education statistically significant in midterm for Qatar in the period from 2000 to 2024, yet analysing government spending, show that the public audit is key to grant the 3 E (Economy, Efficiency, and Effectiveness) allowing and ensuring on how well a government uses public money to provide good services.

Furthermore, we conclude that:

- Inclusive growth is anchored by Government Effectiveness, which remains active across times. However, public budgetary allocations injections have positive impact on inclusive growth outcomes dictated in two-years.
- The state must ensure public expenditure as a medium-term structural investment to create inclusive growth.
- Reaching human development should be accompanied by robust public financial governance. However, when public services are weak, indicates inefficient public policy execution or public expenditure on social index not effective.
- Fostering sustainable and inclusive growth required from policymakers to prioritize structural governance reforms, such as boosting Public spending transparency, reducing excessive government expenditures, inequity, and improving public project management.
- Inclusive growth is conditioned by the allocative efficiency of public spending on education and health, which means realigning budget allocations towards pro-poor and growth enhancing healthcare and education sectors
- Effective governance through the 6 pillars control the public spending to ensure that public resources are channeled to their optimal destination and target social safety, and improving inclusive growth.

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