



## The Politics of Development: Analyzing Governance and Growth in Developmental States of the Third World

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### ABSTRACT

This paper examines cases of development and economic growth in democratic, quasi-democratic, and non-democratic nations in the Third World. It highlights the unique nature of these states, often referred to as “developmental states.” The paper identifies common features among them, emphasizing that development is fundamentally a political process. It also highlights the significance of political analysis in shaping both development theory and policy. Good governance cannot be separated from political structures. The research reveals significant findings and proposes future inquiry in developmental state theory by integrating historical perspectives and theoretical insights. The study concludes that the institutional structures and political systems of developmental states are shaped not merely by administrative frameworks and governance principles but by the underlying political dynamics.

**Key Words:** *Developmental states, Institutions, Economic growth, Governance*

### Introduction

Many developing nations continue to grapple with significant obstacles, including political instability, poor governance, poverty, widespread diseases, and restricted access to education. Despite these challenges, some countries have successfully achieved remarkable economic and social progress. Nations like Botswana, Mauritius, Malaysia, South Africa, and South Korea serve as examples of sustained growth and development. This contrast raises an important question: what sets these countries apart from those struggling to break free from underdevelopment? Adrian Leftwich (1993) provides valuable insights into this issue through extensive research. By comparing development patterns across various societies, he argues that development is inherently tied to political processes. His idea of the developmental state highlights the crucial role political structures play in fostering economic and social advancement. According to Leftwich (1993), governance models and institutional systems are not standalone mechanisms but are instead shaped by a country’s internal political landscape. His analysis challenges conventional development theories that emphasize governance and institutional capacity as the primary drivers of progress. Instead, he asserts that politics is the foundation upon which effective governance and developmental policies are built.

Leftwich's perspectives are particularly relevant when considering international development strategies in the 1990s. During this period, global policies largely centered on promoting market-driven economies, democratic reforms, human rights, and governance improvements. While these measures contributed to development efforts, they often failed to account for the intricate relationship between politics and economic progress. Leftwich cautions against the assumption that democracy alone is sufficient to drive development.

This study examines the connection between politics, governance, and economic growth by analyzing the developmental state model. Case studies of East and Southeast Asian nations such as Malaysia, Singapore, and South Korea are presented to identify the critical political and institutional factors that contribute to development. In doing so, it offers a deeper understanding of how political structures shape economic outcomes, providing guidance for policymakers seeking to replicate successful developmental strategies in different contexts. Additionally, it challenges the view that governance and institutional reforms can be pursued independently of their political environment. Instead, it emphasizes that sustainable development strategies must consider the political forces influencing governance. Understanding the political dimensions of development remains essential for formulating effective policies aimed at reducing poverty and inequality.

Adrian Leftwich's (1994) model of the "**developmental state**" emphasizes the primacy of politics in development. While these concepts have shaped earlier debates, this paper expands the discussion by incorporating more recent data and analyzing alternative perspectives.

### **Main Argument**

An effective and independent administration is not merely the result of building institutions, it is fundamentally shaped by politics. Without a political environment that supports the creation, maintenance, and protection of a state's capacity for governance, there will be no significant developmental progress.

### **Theoretical Framework**

It is important to define few concepts those are highly relevant to this study. For example:

- What is politics?
- What is governance?
- What is Developmental state?

These concepts are crucial to understand the key arguments of this paper. These are described in brief:

### **Defining Politics**

Influential Political scientist Harold Dwight Lasswell viewed politics as "*who gets what, when and how?*" (Lasswell 1936). He viewed politics as the way of in the distributing value patterns in society because distribution depends on power. The main point of his analysis was power dynamics. One of the most-cited definitions of politics is this: "*the authoritative allocation of values.*" (Easton 1965)

### **Defining Governance**

Vasudha & Stoker (2008: 15) stated, "*Governance is about the rules of collective decision-making in settings where there are a plurality of actors or organizations and where no formal control system can dictate the terms of the relationship between these actors and organizations.*"

### Defining Developmental State

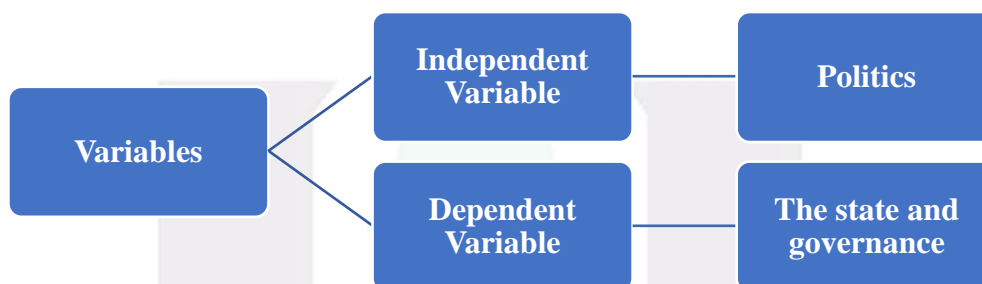
In simple words a developmental state means a state where the government is intimately involved in the macro and micro economic planning in order to grow the economy as well as strong control over political power. It is also known as hard state.

### Variables

To explain above mentioned assertion this study considers politics as an independent variable and the state and governance as dependent variables.

**Independent Variable:** Politics, including the nature of political leadership, policy priorities, and power dynamics within the state.

**Dependent Variables:** Governance structures and the state's capacity to implement developmental policies effectively.



**Figure 1: Dependent and Independent Variables**

### Research Methodology

This study uses qualitative and comparative approach to examine how politics, governance, and economic development interact in developmental states. It aims to identify key political and institutional factors that drive long-term economic growth in both democratic and non-democratic systems. The research is based on the idea that development is deeply linked to politics as well as that governance and institutions must be analyzed within their political context.

### Literature Review

This research integrates key perspectives from Adrian Leftwich's seminal works, such as *Governance, Democracy and Development in the Third World (1993)*, *Governance, the State and the Politics of Development (1994)*, and *Bringing Politics Back In: Towards a Model of the Developmental State (1995)*. In addition, a diverse range of academic sources on developmental states, governance, and political economy is examined to establish a comprehensive theoretical basis.

**Case Studies:** This study examines empirical data from nations recognized as developmental states to analyze recurring patterns and distinct variations in their political and governance frameworks. The analysis is further reinforced by evaluating key economic factors such as GDP growth, income distribution, and investment patterns.

**Policy Analysis:** Reports of the World Bank (WB) and the International Monetary Fund (IMF) are utilized to understand the global discourse on governance and development to compare these with the findings of this study.

### Limitations of the Study

The study acknowledges several limitations. Such as:

1. The focus on a select group of countries may limit the generalizability of the findings.
2. The reliance on secondary data sources could introduce biases inherent in the original data.
3. The complex relationship between politics and development may not be fully captured through qualitative analysis alone.

### Findings of the Study

- Democratic and non-democratic states can achieve high rates of economic growth.
- A group of eight countries (Malaysia, Botswana, Singapore, Taiwan, Korea, Indonesia, China, and Thailand) achieved an average growth rate exceeding 4% annually since 1965.
- The nature of politics, rather than governance alone, plays a central role in driving this success. Developmental states generate unique political environments that support growth.
- The political framework and priorities of a state, rather than its governance models, shape developmental outcomes.
- Without political commitment to developmental goals, institutional and governance reforms fail to deliver significant progress.
- Politics challenges the notion that “good governance” is sufficient for achieving growth.

### Case Study: Developmental State

The concept of the developmental state is not a new phenomenon and has always been profoundly political in origin and statist in focus. Three case studies are discussed below:

#### Case Study 1: A Small Group of Eight States

**Table 1. Selected average annual rates of growth of GNP per capita: 1965 to 1990 (%)**

A	Democratic Regimes:	B	Non-democratic Regimes:
Jamaica	-1.3	Zaire	-2.2
Trinidad and Tobago	0.0	Nigeria	0.1
Venezuela	-1.0	Zambia	-1.9
Senegal	-0.6	Libya	-3.0
India	1.9	South Korea	7.1
Sri Lanka	2.9	Taiwan	7.0
Malaysia	4.0	Indonesia	4.5
Costa Rica	1.4	Brazil	3.3
Botswana	8.4	China	5.8
Mauritius	3.2	Algeria	2.4
Singapore	6.5	Thailand	4.4

*Sources: Council for Economic Planning and Development (1992); World Bank (1992a).*

**Table 1:** Data shows democratic and non-democratic countries have had high growth rates since 1965. Among them, eight countries (China, Malaysia, Singapore, Taiwan, South Korea, Botswana, Indonesia, and Thailand) have maintained an annual growth rate of over 4%. Leftwich (1993: 378) argues that their success is mainly due to their political structures and the nature of their states, rather than their system of governance.



## Case Study 2: Southeast Asian Economies

Table 2: GDP Percapita of East and Southeast Asian Economies

Economy	1980	1990	2000	2005	2010	2015	GDP as of 2015 after purchasing power parity (PPP) calculations (US\$ billion)	GDP per capita as of 2015 (PPP)
China	205	341	945	1,726	4,422	8,019	16,647.49	12,113
Hong Kong	5,679	13,330	25,128	25,748	32,429	44,821	438.19	59,546
Japan	9,309	25,144	37,303	35,787	42,916	42,757	5,095.03	40,204
Korea	1,689	6,308	11,347	17,551	20,540	28,092	1,897.17	37,413
Malaysia	1,812	2,432	4,030	5,211	8,633	12,305	613.16	19,789
Singapore	4,756	12,387	22,791	28,498	44,697	53,931	385.83	67,786
Taiwan	2,363	8,086	14,641	16,023	18,488	24,110	1,066.26	45,198
Thailand	696	1,521	1,983	2,825	4,992	7,664	791.23	12,133

**Table 2:** Some of the most promising economic growth in recent decades have emerged in East and Southeast Asia (World Economic Outlook 2016).

## Case Study 3: Thailand

In this part Thailand as a developmental state will be discussed.

- The concept of the “bureaucratic polity” developed by Fred Riggs was an example of developmental state was to explain the structure of the Thai state (Riggs 1966).
- Indonesia under Soeharto’s New Order after 1966, despite being non-democratic, achieved significant developmental success but does not align with any modern concept of good governance (Jackson 1978: 3).
- Over the past 32 years, Thailand’s GDP has grown significantly. Between 1980 and 2012, it increased nearly 16 times in baht terms and about 11 times in dollar terms which has made Thailand the world's 32<sup>nd</sup> largest economy (World Economic Outlook April 2013).

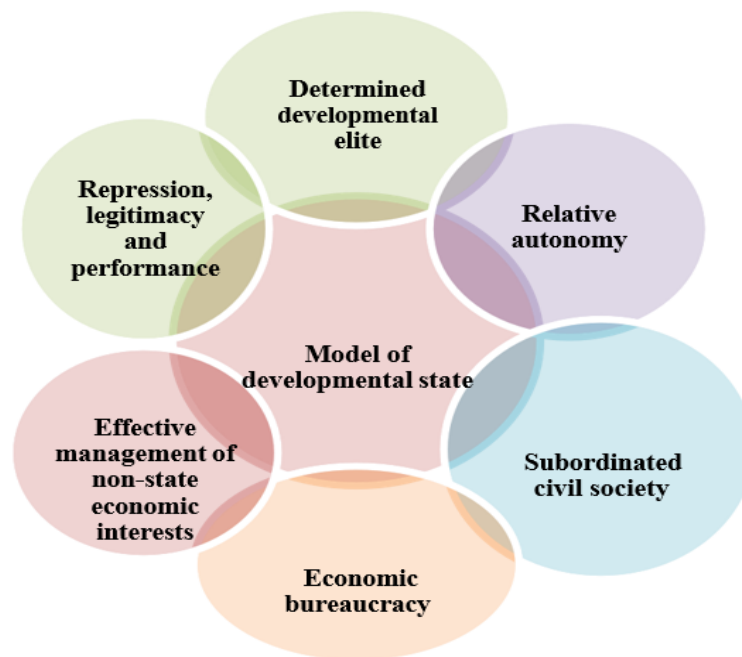
Table 3: Thetrend of Thaicross Domestic Product (GDP) from 1980 to 2012

Year	GDP at constant prices (THB billion)	GDP growth rate (% change)	GDP at current prices (THB billion)	GDP at current prices (US\$ billion)
1980	913.70	4.6	662.48	32.35
1985	1,191.25	4.6	1,056.50	38.90
1990	1,953.40	11.6	2,191.10	85.64
1995	2,941.74	9.2	4,186.21	168.02
2000	3,008.40	4.8	4,922.731	122.73
2005	3,856.53	4.6	7,092.89	176.35
2006	4,054.89	5.1	7,844.94	207.09
2007	4,259.81	5.0	8,525.20	246.98
2008	4,368.64	2.5 (2007-2012 global financial crisis)	9,080.47	272.58
2009	4,268.11	-2.3 (2007-2012 global financial crisis)	9,041.55	263.71

Year	GDP at constant prices (THB billion)	GDP growth rate (% change)	GDP at current prices (THB billion)	GDP at current prices (US\$ billion)
2010	4,596.12	7.8	10,104.82	318.91
2011	4,599.65	0.1 (2011 Thailand floods)	10,540.13	345.67
2012	4,898.19	6.5	11,375.35	366

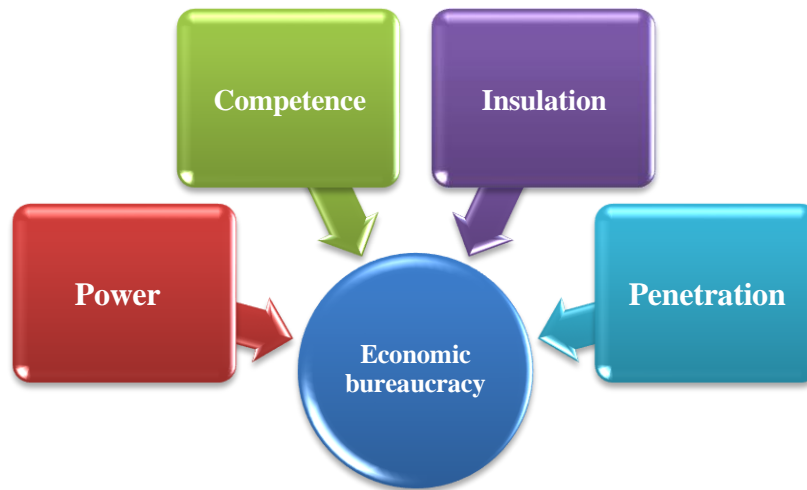
### Towards a Model of Developmental State

Above mentioned discussion suggests a preliminary model of the effective developmental state, which is exceptional to the conventional model of good governance. Leftwich identifies six key components that define this developmental state model (1995: 405)



**Figure 2: Model of Developmental State**

1. The bureaucracy has played a pivotal role in shaping development policies.
2. Another key feature is that developmental elites and the state institutions they control have maintained a high level of independence. (Leftwich, 1995: 409).
3. In all developmental states, as Leftwich (1995: 412) argues civil society has experienced weakness, control at the hands of the state, enhanced state power in ways that have been developmentally useful.
4. Robert Wade noted that in Taiwan, this has led to these societies being called “corporatist,” where the state plays a leading role in the economy rather than just following market trends. (Wade, 1990: 295).
5. Moreover, developmental states have been instrumental in shaping and supporting the growth of private economic institutions, influencing their structure, scope, and focus even in China after 1979.



**Figure 3: Economic Bureaucracy**

6. The idea of an authoritative economic bureaucracy shaping the goals and strategy of development policy which fundamentally contradicts the contemporary theory of good governance (Leftwich 1994: 371).

**S. P. Huntington: Concentrating political power**

The political importance of bureaucratic polities was stressed, too, by S. P. Huntington in his seminal work *‘Political Order in Changing Societies (1968)’*. He emphasized the critical developmental significance of concentrating political power in a modernizing and innovative state (Huntington 1968: 143).

**Table 4: Political Systems and Power Configurations**

<i>Distribution of Power</i>	<i>Amount of Power</i>	
	SMALL	LARGE
Concentrated	Bureaucratic empire; absolute monarchy	Totalitarian dictatorship
Dispersed	Feudalism; “pyramidal structures”	Constitutional democracy

**Adrian Leftwich: Bringing Politics Back in**

Leftwich (1993: 620-22) argues successful economic development, from the 19<sup>th</sup> century to the present, have almost always involved both a strong and an active state to help initiate, accelerate and shape this process. In short, it has been politics and the state rather than governance or democracy that explains the differences between successful and unsuccessful developmental records. Leftwich (1993:623) mentioned “By this I mean a state whose political and bureaucratic elite has the genuine developmental determination and autonomous capacity to define, pursue and implement developmental goals.”

**Concluding Remarks**

Based on the discussion above, it is clear that more comparative research is needed on developmental states. However, some key conclusions can still be drawn. Historical examples such as Bismarckian Germany, post-Meiji Japan, Atatürk’s Turkey, the Soviet Union after

1917, 20<sup>th</sup> century Sweden, early post-revolution China, as well as Taiwan, Korea, Thailand, and post-independence Mauritius, Singapore, Malaysia, and Botswana after 1960, all provide strong evidence of successful economic development. Studying the political and institutional structures of these states is crucial, as they have significantly improved the living standards of most of their citizens within a generation. This challenges the idea that governance is purely a managerial issue, as suggested by the World Bank. Instead, governance is deeply political, involving conflict, negotiation, and cooperation over resource distribution. The current focus on "good governance" is overly simplistic and misleading. Contrary to the World Bank's approach, Leftwich (1993: 619) argues that a state's ability to drive development is not just about good governance as it is commonly understood, but rather about the nature of its politics. National political economies, and therefore the state, have historically been responsible for driving economic development and preparing nations for future global integration (List 1885:175). This study emphasizes the need to reintegrate politics into development studies, as it has been overlooked for too long.

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