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Assessing The Local Civil Services Influencing Human Development In Cambodia: Good Governance And Its Relationship With Economic Growth

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Abstract

The foundation of public policy is the advancement of human prosperity on local administration. This work investigates the relationship between local public service quality and human development results. It deviates from previous studies that mostly focus on general indicators of good governance and their connection to economic expansion. Rather of focusing only on economic growth, this study isolates local civil service quality as a sub-component of good governance and investigates its relationship with human development. In particular, it assesses how human development is influenced by impartiality and meritocratic employment in the local public sector—two fundamental components of local civil service quality. Targeted samples were collected from 5-targeted District Administration with various provinces in Cambodia. Also, data were adapted and summarized from the Varieties of Democracy Indictors, the Worldwide Governance Indicators, and the World Development Indicators in order to supplement with the real data. Collected data were analyzed by using descriptive and inferential statistics via SPSS program. And, a two-way fixed effects model is used in analyzing the data. The findings show that, even when concentrating on the non-income aspects of human development, higher levels of local public service impartiality are consistently linked to higher levels of human development. In

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settings with lower levels of development, this correlation is stronger. Because estimations are only meaningful at lower stages of human development, the association is weaker for meritocratic employment. This study directly affects whether public administration strengthening should be given top priority in development programs as a way to promote human development in local administration in Cambodia.

Keywords: Local Civil Services, Human Development, Good Governance. Economic Growth

INTRODUCTION

Background and Statement of Problem

Human development is slowing down, while democratic governance has completely collapsed to levels last observed in the 1980s, especially in areas like the rule of law and freedom of expression (RGC, 2023; Nord et al., 2025). Research indicates that nations experiencing democratic regression typically see a disproportionate drop in the effectiveness of their public administrations. On the other hand, nations that are progressing toward democracy typically increase the capability and objectivity of their bureaucracies (RGC, 2023; Nord et al., 2025). When combined, these patterns show how important it is to look at the relationship between human development outcomes and shifts in governance quality.

The idea of good governance offers a helpful framework for comprehending the role of institutions and government in developmental outcomes, allowing for a more methodical examination of this relationship. According to the WB, which has played a key role in this perspective (Demmers et al., 2017), governance is "the manner in which power is exercised in the management of a country's economic and social resources for development" (Moore, 1993, p. 2). Additionally, the World Development Report (2002) defines good governance as "[t]he ability of the state to provide those institutions that support growth, poverty reduction [...]" (p. 115). Therefore, the political ability required to ensure the welfare of society is linked to effective governance (RGC, 2023; Tripathi, 2017). Government accountability and openness, political stability, high-quality regulations, the rule of law, corruption prevention, and government efficacy are all aspects of good governance. These factors are captured by the Worldwide Governance Indicators (WGI), which include civil service quality as a component of the government effectiveness dimension (RGC, 2023; World Bank, 2024).

The quality of the civil service merits special consideration, even though excellent governance as a whole may account for significant variation in human development. By

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concentrating on the local civil service subcomponent, the focus is shifted to the real human capacities of the state. Although other elements of governance are necessary for a government to function, they do not demonstrate the capacity of public institutions to carry out political will. The more tangible aspect of civil service quality is whether or not governments have the human resources needed to create and carry out policies and offer services. This is significant because the caliber of the professionals that work in the public sector greatly influences its capacity to provide the administrative underpinnings that allow economic players to provide benefit (Evans & Rauch, 1999). In this way, this bureaucratic aspect provides a clearer picture of how impartial and professional administrations support human growth.

The fundamental goal of public policy is to advance human flourishing. Despite their differences, ideological stances typically have the same ultimate objective of raising people's and societies' standards of living. However, the global developmental perspective indicates that efforts to improve human welfare are failing, since the rate of decrease of extreme poverty has slowed considerably over the past ten years (Stemmler et al., 2024). Only one in five nations will be able to cut poverty in half by 2030 compared to 2015 levels if current trends continue (United Nations, 2025). There are many hypotheses in the literature for why developmental achievements vary between countries. Azam (2022) reviews this debate, noting that while some scholars emphasize physical and human capital formation, technological progress, and expanded trade as the main drivers of development, other perspectives place institutions at the center. According to this perspective, institutional arrangements that influence the incentives to innovate and invest are the basic determinants of prosperity, whereas technological advancement and capital accumulation are the proximate sources (RGC, 2023; Rodrik et al., 2004).

Given its importance, since the public sector creates and maintains many of the institutions that support markets, the state's ability to provide them affects how well markets operate (RGC, 2023; World Development Report, 2002). According to Cornell et al., (2020), public administrations are particularly crucial in this sense since they carry out policies and offer the administrative underpinnings required for economic players to generate welfare.

Purposes of the Study

This work adds to the body of knowledge regarding the connection between development and institutions. It evaluates the impact of strong governance, specifically public service quality, on human development using country-level data from Varieties of Democracy (V-Dem), the World Bank (WB), and UNDP. By concentrating on human development, which is less commonly used in

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econometric research, this work goes beyond the growth paradigm. Additionally, it restricts the independent variable to local civil service quality, a subset of the Worldwide Governance Indicators (WGI), a more widely used set. This directly affects whether public administration strengthening should be given top priority in development programs as a way to promote human development in the Cambodian context.

Conceptual Framework

Concept on Good Governance Dimensions

In general, reliable regulations, political stability, and effective resource allocation are all ways that good governance promotes creativity and productivity (Daliri, 2023). Due to its broad definition, good governance is frequently broken down into six categories: political stability, accountability, rule of law, regulatory quality, corruption control, and government effectiveness. The majority of research indicates that development is positively correlated with at least some of these aspects (Kraipornsak, 2018; Al-Naser & Hamdan, 2021; Azam, 2022; Pere, 2015; Mahran, 2022; Halleræ et al., 2013; Akinbode et al., 2020; Ahmad & Saleem, 2014; Keser & Gökmen, 2018).

First, accountability encourages the supply of better public goods, and citizens put pressure on governments to steer clear of detrimental policies. Empirically, Daliri (2023) found a positive global correlation between accountability and development, however Pere (2015) found no significant link in the Western Balkans.

Investment is encouraged and predictability is made possible by political stability. Instability slows growth, as demonstrated by Alesina et al. (1996), a conclusion supported by Azam (2021) and Pere (2015). Ahmad and Saleem (2014) find that stable regimes are superior for human development in particular.

By establishing the guidelines for market involvement, regulatory quality—the degree to which regulations promote the growth of the private sector—affects economic performance (World Bank, 2025). Research indicates that reduced regulatory loads promote growth (Djankov et al., 2006; Al-Naser & Hamdan, 2021), and Ahmad and Saleem (2014) discover comparable advantages for human development. Confidence in contracts, courts, and property rights—all essential for economic activity—are supported by the rule of law (North, 1990). Strong rule of law is empirically associated with greater growth (Mauro, 1995; Pere, 2015). The misuse of public office to drain funds from health and education services—two essential components of human development—is prevented by controlling corruption. While some empirical research indicates no correlation (Akinbode et al., 2020; Pere, 2012), others discover negative correlations between

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corruption and human development (Ahmad & Saleem, 2014; Prasad & Zaloznaya, 2021) and growth (Mauro, 1995; Daliri, 2023).

Lastly, among all the governance characteristics, government effectiveness—which includes the calibre of public services, the efficiency with which policies are implemented, and the calibre of the civil service—shows the strongest connections with human development (Ahmad & Saleem, 2014; Keser & Gökmen, 2018).

Concept on Quality of the Civil Service as the Key Subcomponent

This work separates the quality of the civil service from the more general notion of government efficacy. The two main pillars of civil service excellence are impartial public administration and meritocratic hiring. This strategy adheres to the literature, which defines civil service quality as the extent to which public administration is impartial, meritocratic, and free from political or private capture (Evans & Rauch, 1999). The quality of the civil service is positively correlated with both human development (Prasad & Zaloznaya, 2021) and economic progress (Cornell et al., 2020; Evans & Rauch, 1999; Henderson et al., 2007).

Both competence and constraint are used by the causal mechanisms. By choosing officials based on their knowledge, meritocratic recruitment enhances technical capability within the public sector. As a result, the state is better equipped to create policies that increase government outputs like regulatory performance or more general developmental outcomes (Kolvani & Nistotskaya, 2025).

By preventing rulers from using state resources for personal or political purposes, impartiality functions through restriction (Kolvani & Nistotskaya, 2025). According to Evans and Rauch (1999), predictable career structures and less political meddling in administrative decision-making protect officials from transient political pressures and match their incentives with organizational effectiveness. They also emphasize that public investment is prioritized over immediate consumption spending over these longer time horizons (Evans & Rauch, 1999). Higher economic growth has been associated with such spending patterns (Gupta et al., 2002).

It is impossible to distinguish civil service quality from other aspects of government. Since they have a direct impact on the caliber of administrative performance and policy implementation, professional and autonomous bureaucracies are essential to the efficacy of government. By improving the justification for regulatory choices and minimizing transient political meddling, they enhance the quality of regulations (Nistotskaya & Cingolani, 2016). However, the rule of law and impartial administration are strongly related. According to Rothstein

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and Teorell (2008), impartiality is the exercise of public authority in accordance with general standards, independent of political or personal affiliations.

Concept on Growth Diagnostic Factors Which Could Affect Human Development

Non-governance factors are included to account for their impact on human development even though they are not the primary focus of this analysis. This analysis adjusts for infrastructure and geography by using Hausmann et al.'s growth diagnostics decision tree (2005). Infrastructure may improve productivity, mobility, and access to healthcare and education, while favorable topography may contribute to increased agricultural productivity. However, although the diagnostics tree takes into account government failure causes and human capital, these are not included in the model because the former is contained in the independent variable (corruption) and the latter in the dependent variable (years of schooling). The financial soundness component is also excluded because there isn't any solid data to support this.

Hypothesized causal links based on the literature are shown by arrows. The arrows' direction reflects the framework's structure: a two-way arrow is used when a relationship can go in both ways, while the remaining linkages are displayed as one-way to maintain attention on the primary relationships under discussion. An idea is shown as a subcomponent of a larger category by dotted lines. As stated in the subsection "Quality of the Civil Service as the Key Subcomponent," overlapping links illustrate the conceptual interdependence of civil service meritocracy and impartiality with regulatory quality and impartiality with the rule of law.

METHOD

This work examines whether Cambodian local civil service quality affects human development while accounting for other aspects of good governance and other elements typically found in models of economic growth. The targeted samples were collected from 5-targeted District Administration with various provinces in Cambodia. Also, this work makes use of four different datasets: (1) the World Development Indicators Database, published by the World Bank for 220 countries and territories; (2) the World Growth Index (WGI) of the World Bank, published every two years from 1996 to 2000 and since then annually for 215 countries and territories; and (3) the HDI created by the UNDP, published annually and containing data for all 193 United Nations (UN) member states since 1990, 4) V-Dem, which was originally released in 2012 but includes data going back to the 1800s, comprises 500 different indicators and is mostly focused on institutional difficulties for the majority of countries and territories.

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By virtue of its importance, this model's whole dataset spans 148 nations from 2002 to 2023. The HDI, which measures nations' levels of development based on three equally weighted components—education, health, and living standards—is the dependent variable. The V-Dem dataset provides information for the main independent variables used to gauge the quality of the civil service. V-Dem provides a measure of impartiality, which indicates the degree to which public officials apply rules consistently rather than serving political or private interests, and meritocratic recruitment, which captures whether entry into the public administration is based on merit rather than personal or political ties.

Country experts, who are academics or professionals with understanding of the countries they evaluate and who are inhabitants or residents of those nations, code V-Dem indicators. Each variable is often coded by five or more experts. The V-Dem measuring model transforms expert ratings from an ordinal scale into a continuous latent scale (Coppedge et al., 2025). The ordinal scale goes from 0 to 4, with 0 denoting that all appointments are made based on political or personal ties and 4 denoting that all appointments are made on the basis of merit. Respondents are requested to submit an average if there are variations between governmental levels in the de facto scenario. They are questioned about the officers' impartiality and rigor. This measure likewise uses a 0-4 ordinal scale, with 0 denoting widespread arbitrariness and a lack of regard for the law and 4 denoting full respect.

The six WGI dimensions for good governance are used as controls in the model. These include accountability and voice, political stability and the lack of violence, the efficacy of government, the quality of regulations, the rule of law, and the management of corruption. Indicators from 35 reliable sources, not the WB itself, make up each dimension (Kaufmann & Kraay, 2024). They are evaluated using a standardized scale, with a score of 0 denoting the global average for that particular indicator in a particular year. A total WGI score does not exist.

According to the Conceptual Framework, civil service impartiality and meritocracy share conceptual similarities with government efficacy and regulatory quality. Additionally, impartiality and the rule of law overlap. According to V-Dem's codebook, the impartiality variable is actually included as a subcomponent of the rule of law indicator (Coppedge et al., 2025). According to the WGI documents, public service quality measurements are also incorporated into government effectiveness and regulatory quality indicators (World Bank, 2025). Therefore, each of these controls is first regressed on the pertinent civil service quality variable, and the residuals are included in the regression models to guarantee that the controls do not represent variation in civil service quality.

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The percentage of arable land relative to the total surface area of the nation is used by the model to further account for geographic considerations. Unlike other fixed geographic characteristics, this variable varies with time. It is updated annually and released by the World Bank using information from the Food and Agriculture Organization (FAO). The percentage of people who have access to power is used as a proxy for infrastructure quality because it contains more data than more direct metrics like the World Bank's Logistics Performance Index. The WB's Energy Sector Management Assistance Program publishes it.

This model uses country-year panel data from 2002 to 2023 and performs an ordinary least squares (OLS) two-way fixed effects regression to investigate the connection between bureaucratic quality and human development. While year fixed effects absorb global shocks or trends that impact all countries in a given year, country fixed effects account for unobserved, time-invariant characteristics unique to each country.

RESULTS

Results of Main Regression

According to the empirical strategy, the rule of law is residual zed on impartiality to eliminate the impartiality component, and government effectiveness and regulatory quality controls in Models 3 through 6 are residualized on meritocracy and impartiality to eliminate the civil service quality component. Key independent variables (KIVs) consist of Meritocracy (MER) and Impartiality (IMP). Good Governance Controls (GGCs) have six sub-dimensions: Accountability (ACC), Political Stability (POS), Government Effectiveness (GOE), Regulatory Quality (REQ), Rule of Law (ROL), and Control of Corruption (COC). Other Growth Factors (OGFs) maintain two sub-categories: Electricity Access (ELA), and Arable Land (ARL). Table 1 displays the primary regression results.

Table 1. Presenting Key Variables for Regression

DV: HDI	(1) Bivariate	(2) Bivariate	(3) Multivariate	(4) Country and Year FE
KIVs				
MER	0.086***(0.008)		0.086*** (0.008)	0.004 (0.005)
IMP		0.070*** (0.005)	0.038*** (0.009)	0.016*** (0.004)
GGCs				
ACC			0.003 (0.002)	-0.004 (0.005)
POS			0.012*** (0.002)	0.004 (0.003)

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GOE			0.035*** (0.004)	0.010** (0.005)
REQ			-0.003 (0.004)	0.005 (0.005)
ROL			0.029*** (0.005)	0.017** (0.007)
COC			-0.003 (0.004)	0.001 (0.004)
OGFs				
ELA			0.003*** (0.000)	0.001*** (0.000)
ARL			-0.000*** (0.000)	-0.000 (0.000)
Con.	0.668***(0.003)	0.672*** (0.002)	0.421*** (0.004)	0.582*** (0.014)
R^2	3256	3256	3256	3256
	No 0.342	No 0.412	No 0.881	Yes 0.823

*Note; * p < 0.10, ** p < 0.05, ***p < 0.01*

Referring to Table 1 above, bivariate regressions of meritocracy and impartiality on human growth are shown in Models 1 and 2 of Table 6. Model 3 is a straightforward OLS without fixed effects that incorporates growth controls, excellent governance, and independent variables of interest. With all of the variables from Model 3 and additional country and year fixed effects, Model 4 is the fully stated and recommended model. Additionally, human development (HDI) and civil service quality indicators are positively correlated, according to the findings in models (1) and (2). Meritocracy seems to have a stronger correlation with HDI than impartiality in the bivariate specifications. However, the proportional importance of impartiality rises and meritocracy loses statistical significance as more institutional controls are added in models (3) and (4). This implies that rather than being an independent link attributed only to meritocracy, a portion of the initial association between meritocracy and HDI reflects broader institutional and other growth characteristics connected 26 with both meritocratic recruiting and human development.

MER is not statistically significant when nation and year fixed effects are incorporated into model (4), however the impartiality coefficient's size decreases but stays statistically significant. According to model (4)'s impartiality coefficient, a rise of one standard deviation corresponds to an increase of roughly 0.024 on the 0-1 HDI scale. The majority of governance controls don't significantly correlate with HDI. Only the rule of law and government efficacy have a statistically significant correlation with human development among the governance controls. However, the explanatory value of some of these controls may have been impacted by their adjustment to lessen statistical overlap with civil service variables.

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Results of Other Relaxants Variables

By presenting data for several country subgroups, Table 2 expands upon Model 4. The HDI classifies countries into low, medium, high, and extremely high development levels. This section also uses one-standard deviation variations within each HDI category to interpret coefficients in order to preserve consistency between models. Rather than depending on the global panel standard deviation presented in the main regression section, the standard deviations utilized in this section are computed independently for each subgroup because the dispersion of meritocracy and impartiality varies among development categories. Subgroup-specific standard deviations are 0.745 for meritocracy and 1.083 for impartiality for low-HDI nations, 0.858 and 1.001 for medium-HDI countries, and 0.855 and 0.953 for high-HDI countries.

It is possible to investigate if the relationship between civil service quality and human development varies between development categories by classifying nations according to their level of human development (HDI). In general, among country-year observations at lower levels of development, the two civil service variables typically show a greater correlation with HDI. This pattern implies that the relationship between meritocracy or impartiality and HDI weakens when nations achieve greater levels of prosperity, health, and education. This pattern is in line with Daliri's (2023) findings that results in lower-income situations are more strongly correlated with the governance characteristics of government performance, regulatory quality, and rule of law. The quality of the civil service is strongly correlated with these dimensions.

Table 2. Presenting the Analysis by the Level of HDI

DV:	(1)	(2)	(3)	(4)
HDI	Low HDI	Medium HDI	High HDI	Very High HDI
KIVs				
MER	0.023*** (0.007)	0.011 (0.008)	0.002 (0.005)	0.001 (0.006)
IMP	0.022*** (0.005)	0.044*** (0.009)	0.014* (0.007)	0.007 (0.004)
GGCs				
ACC	-0.001 (0.008)	-0.002 (0.008)	-0.012 (0.007)	-0.012 (0.009)
POS	0.002 (0.004)	0.004 (0.006)	0.002 (0.004)	-0.001 (0.004)
GOE	0.036*** (0.011)	0.007 (0.008)	-0.000 (0.008)	0.014*** (0.005)
REQ	0.016* (0.008)	0.023** (0.009)	0.000 (0.008)	0.003 (0.005)
ROL	0.008 (0.016)	0.047*** (0.013)	0.025** (0.009)	0.005 (0.008)
COC	0.001 (0.013)	-0.018 (0.012)	0.008 (0.010)	0.004 (0.005)

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OGFs				
ELA	-0.000(0.000)	0.000 (0.000)	0.001*** (0.000)	0.001* (0.001)
ARL	-0.001* (0.001)	-0.002** (0.001)	0.000 (0.002)	-0.001* (0.000)
Con.	0.429***(0.014)	0.538*** (0.023)	0.565*** (0.035)	0.674*** (0.079)
R^2	396 Yes 0.900	726 Yes 0.863	770 Yes 0.814	1364 Yes 0.855

*$p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

In term of country-year observations with low HDI, both civil service indicators are positive and statistically significant for the 396 country-year observations that were categorized as having low human development. Meritocracy is statistically significant in this subgroup but not in any other, despite not being statistically significant in the entire sample. A rise of roughly 0.017 on the 0-1 HDI scale corresponds to a one-standard deviation increase in meritocracy. An increase of approximately 0.024 on the HDI scale corresponds to a one-standard deviation improvement in impartiality.

In term of country-year observations with medium HDI, meritocracy (MER) is no longer statistically significant among the 726 country-year observations with medium HDI. On the other hand, the impartiality coefficient is still substantial and grows in size in comparison to the low-HDI grouping. The greatest correlation seen among all development categories is a rise of roughly 0.044 on the HDI scale for every standard deviation increase in impartiality. This implies that rather than exhibiting a single pattern, the association's intensity changes among development categories. The relationship between impartiality and HDI is strongest in nations with medium levels of human development, despite the fact that public service quality generally has stronger explanatory power at lower levels of development.

In term of country-year observations with high HDI, impartiality (IMP) is only significant at the 10 percent level for the 770 country-year observations that are categorized as having high human development, but it is significantly smaller than in the medium-HDI subgroup. A rise of roughly 0.013 on the HDI scale is linked to a one-standard deviation improvement in impartiality. This implies that while increases in civil service impartiality are still linked to greater levels of human development, the correlation becomes less as nations progress.

In term of country-year observations with very high HDI, MER and IMP do not significantly correlate with HDI for the 1,364 country-year data with very high HDI. With the exception of

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government performance, the majority of governance restrictions also become less important. At the 10% level, the percentage of arable land and access to energy are important. Overall, these findings imply that differences in public service quality do not appear to be related to differences in HDI once nations achieve extremely high levels of human development.

Results of Strangeness Tests for Lagged Specification and Non-Income HDI

Simultaneity bias, which is the idea that higher levels of development might encourage increases in institutional quality, is a possible cause for concern. Controlling for income is one approach to deal with this. However, since income is one of the three components of HDI, adding log GDP per capita to the main specification would induce collinearity. In order to solve this problem, Model (5) of the appendix incorporates the log real GDP per capita as a control and eliminates income from HDI. Therefore, in addition to the initial governance and growth restrictions, the specification examines whether public service quality is linked to advances in the health and education components of human development, contingent on income levels.

By utilizing meritocracy and impartiality values that are one year behind, Model (6) further reduces the possibility of simultaneity. As proposed by Pere (2015) and Chong and Calderón (2000), it represents the notion that administrative reforms may take longer to have an impact and assumes that changes in bureaucratic quality precede changes in development results. MER is not significant in Model (5), but impartiality is still favorable and statistically significant at the five percent threshold. Meritocracy is marginal in Model (6), whereas lagged impartiality is still significant at the 10 percent threshold, albeit with a smaller coefficient. These findings imply that even after adjusting for wealth and adding lags, there is still a correlation between impartial administration and non-income human growth. A portion of the initial relationship may indicate institutions and development concurrently improving or falling, according to the smaller lagged coefficient.

In all models, log real GDP per capita is not statistically significant, suggesting that wealth alone is not consistently linked to greater human development across time within nations after income is subtracted from HDI.

DISCCUSSION

According to this study, human development (HDI) and public service impartiality are positively and statistically significantly correlated. In contrast, the recommended formulation does not provide statistical significance for the meritocratic dimension. In summary, the

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impartiality more than the meritocracy of the civil service seems to be the main reason it matters for human growth. These findings differ somewhat from those of Evans and Rauch (1999), who highlight the role of meritocratic hiring in the explanation of economic growth. However, the results are not directly comparable because human development is the outcome variable used in this study. Significant variation across human development stages is concealed by these results. Meritocracy loses explanatory power at greater levels of development, while impartiality at the highest development category has bigger effects in lower-development environments. This implies that improvements in public service quality have declining effects as development rises, with the biggest benefits occurring in environments with lower levels of development.

Daliri (2023) finds that the effects of governance dimensions differ across income levels, which is somewhat consistent with this pattern. Daliri shows that government effectiveness, the dimension most closely associated with civil service quality, has the greatest impact on lower- and upper-middle-income economies, even though she employs the entire set of WGI and does not differentiate between civil service quality dimensions. In contrast, high-income nations seem to place greater emphasis on political stability, rule of law, and regulatory excellence. Theoretically, impartiality has a high correlation. According to Kolvani & Nistotskaya (2025), impartiality stops public resources from being diverted for personal benefit. This should encourage the distribution of resources that are more concerned with the welfare of individuals than with smaller interest groups. Furthermore, officials who are not subject to political pressure and are better able to maintain objectivity in their work might put longer-term policy objectives ahead of immediate political rewards (Evans & Rauch, 1999).

It is more challenging to assess the weaker data supporting meritocratic hiring. Merit-based selection may improve technical ability, but it simply records admittance into civil service positions and may not accurately reflect daily administrative behavior, which may be more directly related to human development outcomes. Meritocratic hiring practices do not tell us anything about the behavior of people hired. It is possible that after being appointed, officials feel entitled to their jobs and are no longer motivated to continue doing well in order to provide improved public services. Qualitative methods could be used in future studies to gain a deeper understanding of what drives bureaucrats once they enter the public sector.

The majority of other aspects of governance don't seem to account for differences in human development. This deviates from a number of research covered in the Literature Review that discovered a correlation between these dimensions and indicators of economic or human growth. In this approach, only the rule of law and the efficacy of government are associated with

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human development. These two characteristics may be more intimately associated with mechanisms that directly influence human development outcomes. The ability of the state to deliver public services, such as health and education, is measured by government effectiveness. Contract enforcement and protected property rights are essential to long-term economic growth and are supported by the rule of law (North, 1990). In contrast, human development may be more indirectly impacted by other governance domains, such accountability and transparency, through avenues that are not explicitly included in this paradigm

CONCLUSION

By providing a more complex understanding of the connection between institutions and development, these findings add to the body of literature. This study is able to precisely assess the relationship between bureaucratic capacities and development outcomes by limiting the independent variable of interest to civil service quality rather than more general governance ideas (as much of the prior work does). Additionally, the research offers a deeper understanding of the relationship between institutional features and a more comprehensive measure of human welfare by using human development as the dependent variable instead of revenue.

This study uses a two-way fixed effects model to reduce bias caused by common global shocks and time-invariant national features. Furthermore, robustness checks were carried out, which included eliminating the income component from the HDI, adding income per capita as a control variable, and introducing lagged values of public service quality. Although its statistical significance is considerably diminished, the relationship between impartiality and human growth is similar across these other criteria. This implies that the simultaneous movement of institutions and development, as well as wealth effects, are not the only factors influencing changes in human development levels.

Recommendations Policy Implications and Future Study

According to the findings, civil service reforms that increase impartiality in public administrations may help improve human development outcomes, especially in less developed nations where meritocracy also becomes important. This pattern suggests that in lower-income contexts, where institutional reforms may result in relatively higher gains in welfare outcomes, public service reform should continue to be a key component of development initiatives.

The comparatively stronger correlation of impartiality indicates that regulations that guarantee government officials follow the law and are protected from political or private capture

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should be given top priority in reform initiatives. Strengthening impartiality may depend more on upholding current regulations, even if meritocratic hiring frequently requires more extensive administrative restructuring and ongoing financial commitment. Because of this, it might be a relatively high-return institutional reform, especially for lower-income nations with limited resources.

By adding different control variables that are both theoretically consistent with human development outcomes and backed by available data and empirical evidence, future study could improve the specification

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