The Effect of Power Concentration on Social Development & Public Service Delivery: A Cross-Country Analysis

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1. Introduction

In a time where growing inequalities are challenging the notion of development, grappling with the concept of growth and addressing debates about our common future is paramount. The recent events ensuing from the COVID-19 pandemic provide two noteworthy insights. First, a global disaster put a halt to the world's economic growth. This effectively challenged the common notion that economic growth is limitless and that it can thus be relied on for overall growth and development. Second, the pandemic showed us that governments and their decisions matter. In that time, not only did governments accept the fact that economic growth was being put to a halt, governments also continued to provide public services and maintain certain standards of development. For a short span of time, government action was not constrained by ideals of economic growth or economic development, but focused on the delivery of effective healthcare. This reality reflects the role governments can play in influencing notions of development, as well as the conditions for growth.

This paper addresses discussions revolving around governments, development, and growth. Diving deeper in the academic literature, this paper explores the divide between conventional regime theorists who explain political and economic outcomes in light of regime typologies, and Political Settlement scholars who argue that diverging developments are best explained by looking at how power is divided. While this paper explores development through the lens of a Political Settlement Analysis, centering the debate around levels of power concentration, a gap is identified within the School's conception of growth. While many scholars of the Political Settlement Approach draw their attention to industrial growth as an indicator of development, I focus on human development and governments' abilities to deliver public services. The following research question guides my research design and analysis: What is the impact of power concentration on governments' public service delivery?

To answer this question, I test the effect of power concentration (data derived from Kelsall and Schulz (2021) dataset) on two dependent variables: governments' apparent prioritization of social development (drawn from Kelsall and Schulz (2021)), and the performance of social safety net programs (drawn from the World Bank's World Development Indicators). In constructing two datasets which include the designated independent variable and a variety of control variables, I perform three time-series linear regressions and two ordinary least squares (OLS) regressions. The first three regressions allow me to compare the impact of power concentration on the extent to which social development appears to be a priority in the

discourse of a country's top leadership across countries, as well as throughout time. The remaining two OLS regressions allow me to assess the impact of power concentration on the implementation of social safety net programs in these countries.

As a result, I find that power concentration has a positive and significant impact on the prioritization of social development and a positive, but nonsignificant impact on the performance of social safety net programs.

This paper is structured as follows: Section 2 reviews existing literature debating the importance of conventional regime theory and Political Settlement Analysis in explaining what causes growth. This discussion culminates in the discovery of a gap regarding the impact of power concentration on public service delivery. Section 3 provides a theoretical framework for the impact of power concentration on public service delivery. The different causal mechanisms outlined lead to the formulation of two hypotheses. Section 4 details the methodology of this study, and further conceptualizes and operationalizes the variables used in it. Section 5 presents and analyses the results of the regressions performed. This section ends with a discussion of the findings and their implications in light of the hypotheses established. Section 6 concludes this paper by exploring the limitations of this study and presenting opportunities for further research.

2. What causes growth?

Are democracies better at creating growth than authoritarian regimes or small ruling elites? In naming their paper "Democracy Does Cause Growth", Acemoglu, Naidu, Restrepo, and Robinson (2019) seemed to have answered this question once and for all. Substantiating their argument with new empirical evidence, they find that democracies increase GDP per capita because they invest more in public goods and are more likely to implement economic reforms that would otherwise be opposed by politically powerful actors.

Although there are a variety of metrics to evaluate growth and development, many scholars posit the notion that governments have an extensive role to play in development and that the provision of public goods is paramount in ensuring growth. Examples of public goods or services are roads, power supply, the supply of clean water, education, healthcare, banking services, and garbage removal. Increases in the delivery of public service are associated with

increases in human capital, which improve individual capabilities and well-being (Dittmar & Meisenzahl, 2020; Flavin, 2019; Sen, 2003; ul Haq, 2008). In turn, the effective management of public service delivery is necessary to resolve the collective action problems arising from the uncoordinated exchange of these goods in a market economy (for an overview, see Anomaly, 2015; Booth & Cammack, 2013). Overall, the literature argues that the government's role in providing these public services is essential (Besley & Ghatak, 2007).

The common argument used by scholars advocating for democracy goes as follows: if dictators or governments led by a handful of elites can rely on rents from natural resources or aid to stay in power, they don't need to answer the People's demands and deliver public services (Acemoglu & Robinson, 2012; Morrison, 2007; Spilimbergo, Giuliano & Mishra, 2010, p. 8). Alternatively, democratic rulers seek reelection which motivates them to address the People's demands and provide public services. In creating the conditions for social and economic stability, Acemoglu and Robinson (2012) argue that democracies also reduce barriers to trade and attract more investment.

In a critique of Acemoglu and Robinson's (2012) book *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*, Sachs (2012) makes an interesting contribution to the debate on the role of the state in development. Sachs highlights that Acemoglu and Robinson wrongfully assume that placing power in the hands of a few is going to lead to despotic rulers, barriers to trade, and in turn deter investment and inhibit economic progress. In highlighting the case of China, Sachs demonstrates the role elites can play in enabling growth and public service delivery. The author explains that in facing external threats, needing to build the country's defense capacities, and realizing that China stood to gain from growing its market, China's elites were incentivized to instate stable economic institutions that attracted investment and boosted the country's development. Perhaps anticipating Acemoglu and Robinson's (2019) dismissal of China as only one counter example, Sachs concludes his critique by arguing that their approach is not only too simplistic, but that it ignores a wide range of other factors of growth, falling short on explaining why certain countries experience growth, and failing to predict which economies will grow or stagnate in the future.

In presenting more than a decade's work on Political Settlements, Kelsall, Schulz, Ferguson, Vom Hou, Hickey and Levy (2022) make a compelling case to move away from conventional regime theory and approaches which justify political and economic outcomes based on regime

typology. According to them the relationship between politics and development is best understood through political settlements, defined as:

> *ongoing agreements among societies' most powerful groups over a set of political and economic institutions expected to generate for them a minimally acceptable level of benefits, and which thereby ends or prevents generalized civil war and/or political and economic disorder.* (Kelsall et al., 2022, p. 27)

Building from Political Settlement theory and its argument that governance priorities are best understood by how power is distributed, Schulz and Kelsall (2021, pp. 14-15) claim that research aiming to explain diverging developments must focus on power concentration instead of regime type. They define power concentration as how much *de facto* power the leader of a country has (2021, p. 9). In assembling Khan's (2010) conception of vertical and horizontal power concentration, this conceptualization of power concentration encapsulates the extent to which power is divided between political groups, as well as within those groups at lower-level factions.

Power Concentration: A cause of growth?

Political Settlement theorists focus mainly on the Global South. They argue that the concentration of power might provide ruling elites the capacities to promote economic growth (Leftwich, 2005, p. 695; Waldner, 1999, p. 9). These scholars claim that the absence of political opponents allow governments to effectively implement economic reforms that would otherwise be opposed.

Going back to Acemoglu et al. (2019), the implementation of contested reforms is one of the central reasons why they conclude that "Democracies Do Cause Growth". They argue that governments that rely exclusively on rents will prevent reforms which seek to disrupt and rectify these rent-generating activities (Morrison, 2007; Spilimbergo, Giuliano & Mishra, 2010, p. 8). This is different to democratic rulers who seek reelection and are thus motivated to address the People's interests. The People's interest in augmenting their economic power drives them to advocate for economic reforms and in this scenario, democratic rulers have more incentive to implement economic reforms.

While Sachs' (2012) demonstrated that military and economic incentives can also lead concentrated elites push economic growth, Leftwich (2005, p. 695) takes this argument to the next level. Leftwich finds that concentrated forms of rule improve the quality of growth and ensure the consistency of policy paths required for the implementation of economic reforms. Waldner further contributes to this discussion by mentioning the case of Korea and Taiwan and describing how the distance between the leadership and popular classes allowed concentrated elites to avoid clientelism and focus on institutional transformation.

Still, the argument that highly concentrated elites can cause growth is contested. Doyon (2018) finds that there is a positive relationship between levels of power concentration and clientelism. In turn, Miller (2015), like Waldner (1999), argues that this detaches leaders from the population. However, while Waldner (1999) argues that this is a good thing, Miller (2015) disagrees, claiming that it results in the elite's disregard for the development of the population. Bueno de Mesquita (2005) adds that increased distance between leaders and the population reduces the incentive for leaders to perform. Scholars further argue that this setting, in which leaders are not held accountable, deters investors because they fear that these types of leaders cannot guarantee a return on their investment (Olson, 1993; Wilson and Wright, 2015; Wright, 2008).

While much of the literature has focused on the impact of power concentration on economic growth, economic reforms, and industrialization, very little attention has been drawn to the impact of power concentration on other forms of development, such as human development and governments' ability to deliver public services. Acknowledging the importance of governments in delivering public services and the importance of these services for development, a gap in the literature appears surrounding the question of how power concentration impacts government's public service delivery, human development, and citizen welfare. This paper attempts to address this gap by asking the following research question:

> **RQ:** What is the impact of power concentration on governments' public service delivery?

3. Power Concentration & Public Service Delivery

Diving deeper into the literature on power concentration, two causal chains can be identified. Power concentration can either lead to increases in service delivery through the creation of

pockets of efficiency and elites' desire to stay in power, or lead to clientelism and the concentration of wealth.

Power Concentration & Growth-Enhancing Institutions

Some would argue that increases in power concentration lead to increases in governments' ability to deliver public goods (Bernauer & Koubi, 2013). Kelsall (2018) and Khan (2010) claim that concentrated governments possess more commitment and enforcement capabilities which allows them to enforce growth-enhancing institutions. In turn, Whitfield, Therkildsen, Buur and Kjær (2015, p. 287-289) find that the successful implementation of industrial policies and the creation of *pockets of efficiency*, both growth-enhancing institutions, are key to reducing unemployment, increasing incomes, and raising standards of living.

Pockets of efficiency arise when specific sectors of a country's industry are isolated from elite capture and are thus made more productive than other sectors (Evans, 2012, p. 58; Leonard, 2010, p. 91). Buur, Mondlane and Baloi (2011) find Mozambique's isolation of the sugar industry is responsible for a significant increase in human capital, public service delivery, and raised productivity. Hickey, Bukenya and Matsiko (2021) also link Uganda's economic growth and increased focus on pro-poor policies to the performance of its pockets of efficiency in the 1990s and early 2000s.

Still, the impact of pockets of efficiencies on social development is contested. Hickey, Bukenya & Matsiko (2021) note that contextual factors – high levels of political protection, international support, and organizational leadership – influenced Uganda's ability to address certain developmental agendas over others. Looking at Ghana's cocoa sector, Mozambique's sugar industry, and Nigeria's oil sector, scholars also find that the evolving nature of political alliances, including the changing levels of power concentration, as well as external constraints can at times undermine the performance of pockets of efficiency and prove inadequate at fostering the necessary economic transformations (for an overview, see Usman, 2002; Whitfield & Buur, 2014).

Literature on leader's time horizons provide further insights on the influence of power concentration on public service delivery. Whether termed as *developmental patrimonialism* in the case of African elites or *developmental state approach*es in the case of Asian technocrats,

scholars find that the concentrated elites' prioritization and implementation of social policies is influenced by their time horizons (Booth & Golooba-Mutebi, 2012; Odijie & Imoro, 2021; Whitfield & Buur, 2014, p. 127; Yamasaki, 2020). In defining developmental patrimonialism, Booth & Golooba-Mutebi (2012) explain that "ruling elites acquire an interest in and a capability for managing rents in a centralized way with a view to enhancing their incomes in the long run, rather than maximizing them in the short run" (p. 3). In Rwanda, the authors find that the ruling coalition's control over Tri-Star Investments mixed with long-term vision yielded significant economic growth while also addressing important socio-political needs, and providing public goods like road construction, mobile telephony, and security services (Booth & Golooba-Mutebi, 2012, p.10).

In discussing *developmental* authoritarianism, Matfess (2015) provides an interesting contribution to this debate. While the concept of *developmental authoritarianism* builds on conventional regime theory, the author uses this concept to discuss elite-driven growth. In his work, Matfess demonstrates that the governments of Rwanda and Ethiopia have both been able to provide significant public goods to their populations while controlling most aspects of society.

Power Concentration & The Stunting of Growth

Still, high levels of power concentration are associated with high levels of clientelism (Doyon, 2018). While Soest (2007) argues that there is no clear relationship between power concentration, the awarding of personal favors, the misuse of public funds, and increases in elite revenues, many scholars argue that higher power concentration hinders public service delivery.

In discussing the case of the Soviet Union, Izquierdo-Brichs (2021, p. 2) demonstrates how corruption and clientelism created a complex network of personal interests and hindered economic and social development. While acknowledging barriers arising from their fixed socialist agenda, the author stresses how the highly concentrated gerontocratic nature of the government made the distribution of social services inefficient. Veenendaal (2020) also notes that while high power concentration and the existence of patron-client linkages can lead to significant economic redistribution and welfare in small states, these linkages can yield economic inefficiency, hinder public service delivery, and create inequality between different groups in society.

Whitfield et al. (2015, p. 235) also notes that high levels of clientelism can result in lower levels of power concentration. In the case of Ghana, the authors demonstrate that the rise of competitive clientelism and the need to reward many actors within the ruling coalition made it difficult for the government to effectively implement industrial policies. The authors found that this undermined development in the long run.

The literature also highlights other mechanisms that connect high levels of power concentration to low public service delivery. In discussing Thailand's development strategy, *Thailand 4.0*, Chiengkul (2019) finds that political and economic concentration diminishes the share of the population that can gain economically from development. Highlighting structural inequalities within the global political economy, and the absence of socially redistributive strategies in Thailand 4.0, Chiengkul argues that foreign direct investment and technology transfers are not sufficient in generating substantive development. Overall, the author claims that development policies that encourage economic and political concentration increase economic inequalities and prevent the masses from accessing the more advanced sectors of the economy. Adding to this, Faguet, Sánchez and Villaveces (2020) find that economic redistribution in Colombia's highly politically and economically concentrated regions increased human capital by increasing individual well-being and political participation. Grossman, Pierskalla and Dean (2017) also find that lower levels of power concentration increase the quality of service provision. They note, however, that this effect levels off with highly fragmented political configurations.

From this debate, the following alternative hypotheses can be established:

H_1: Increases in power concentration have a positive impact on a governments' public service delivery.

H_2: Increases in power concentration have a negative impact on governments' public service delivery.

4. Methodology

To conduct this analysis, I perform three time-series linear regressions and two OLS regressions. The first three regressions allow me to compare the effects of power concentration on governments' prioritization of social development across countries, as well as throughout time. In acknowledging Schulz and Kelsall's (2021, p. 13) observation regarding the evolution of power concentration within regimes, it is imperative to account for the variation of power

concentration within a country at different times. Since my dependent and independent variable are taken from Schulz and Kelsall's (2021) Political Settlements dataset, my regressions are based on the data they have acquired on 42 countries from the Global South from 1946 or the date of the country's independence to 2018. These include 22 countries from Africa, 13 countries from South and South-East Asia, 5 countries from Latin America and 2 countries from the Middle East.

The variable titled "Governments' prioritization of social development" is used to operationalize the dependent variable and measure government's provision of public services from 1946 or the date of the country's independence to 2018. The delivery of public services and its impact on human capital are core aspects of social development which is why this variable matches the conceptualization of the dependent variable. While this variable only assesses the extent to which social development appears to be a priority in the discourse of a country's top leadership, this measure represents a good starting point in understanding the relationship between power concentration and public service delivery. This ordinal variable contains 5 categories (1 = Very low priority, 2 = Low priority, 3 = Medium, 4 = High priority, 5 = Very high priority) but is treated as a continuous variable.

Once this relationship has been established, I perform an OLS regression using the World Bank World Development Indicator on the adequacy of social safety net programs as an alternative dependent variable. This variable measures the amount of assistance (as a percentage of household welfare) obtained by populations receiving assistance from social safety net programs. These estimates include direct and indirect beneficiaries of a wide range of social assistance programs and provide a good assessment of the performance of social safety net programs (for an overview, see World Bank, n.d.). The World Bank's poverty headcount ratio at national poverty lines is added as a control variable in order to account for country-specific disparities in household income. Since there is less data available on the adequacy of social safety net programs, the bulk of its data which spans from 2008 to 2018 (see Appendix 1) is used to make one average for each country. Averages of the remaining independent and control variables are calculated for the same years.

The independent variable, power concentration, relies on Schulz and Kelsall's (2021) Power Concentration Index. Having built this paper's theoretical framework on their understanding of power concentration, this variable is best suited to test its hypotheses. In quantifying how

much *de facto* power the leader of a country has from 1945 to 2019, this measure assesses the power ratio between the leader's block (LB) and the contingency loyal bloc (CLB) which represents the part of the population currently aligned with the LB but whose loyalty is uncertain; the likelihood CLB splits from government; the hierarchical power concentration of the LB; the cohesiveness of the LB; and the relative power of the opposition block (OB). This variable ranges continuously from 0 (low power concentration) to 1 (high power concentration).

In conducting research on a government's ability to provide public services, a number of other variables must be held constant. In assessing the impact of power concentration on industrial growth, Schulz and Kelsall (2021) control for Gross Domestic Product (GDP) per capita, Overseas Developmental Aid (ODA), levels of democracy, levels of corruption, and the setting of the cold war. Although my dependent variable is not industrial growth, economic development and the growing of industries often entail or result in the increase of human capital. Acknowledging the potential spillover that economic growth could have on social growth and public service delivery, I am controlling for these variables in my regressions.

Using Schulz and Kelsall's (2021) variable titled *Government's prioritization of economic development*, an additional two regressions are conducted to assess the mediation of economic development in the prioritization of social development (see Appendix 2). Like the variable measuring the prioritization of social development, *Government's prioritization of economic development* is an ordinal variable contains 5 categories (1 = Very low priority, 2 = Low priority, 3 = Medium, 4 = High priority, 5 = Very high priority). It is treated as a continuous variable. In observing the impact of power concentration on economic development and the relationship between economic development and social development, these regressions allow for a better understanding of what are the drivers of social development.

The World Bank's data on GDP per capita in constant 2015 US dollars is logged and used to account for differences in wealth between countries and years. The World Bank's data on net ODA received as a percentage of Gross National Income (GNI) in constant 2020 US dollars is used to account for aid disparities. The World Bank's data on the control of corruption, available from 1995 to 2020, is used to account for differing levels of corruption which also unevenly impact public service delivery. This variable ranges from -2.5 to 2.5 and measures "the perception of the extent to which public power is exercised for private gain, including both

petty and grand forms of corruption, as well as "capture" of the state by elites and private interests" (Kaufmann, Kraay, & Mastruzzi, 2010).

A variable is created to control for cold-war and post-cold war settings. Cases which precede 1989 will be allocated the value of 0, while cases that come after 1989 take up the value of 1.

In addition to controlling for the variables recommended by Schulz and Kelsall (2021) in their assessment of the impact of power concentration on industrial policies, I also control for the occurrence of conflict. Logically, a country suffering from conflict could present the government with practical obstacles to the delivery of public services. Increases in military expenses could also negatively impact the amount of funds available for public spending. On the other hand, in seeing its population suffer, a government could provide aid and increase the delivery of public services. To control for these varying scenarios, a variable is created and made to take up the value of 1 if the country has suffered more than 25 battle-related deaths in that year according to the Uppsala Conflict Data Program (Davies, Pettersson & Öberg, 2022; Gleditsch, Wallensteen, Eriksson, Sollenberg & Strand, 2002; Pettersson, 2022). Cases that fall below this threshold are allocated the value of 0.

Lastly, considering the existing literature on the impact of democratic regimes on public service delivery (Acemoglu, et al., 2019; V-Dem Institute; 2022), V-Dem's electoral democracy index is used to account for differences in levels of democracy (Coppedge, et al. 2021). This variable ranges from 0 (low level of democracy) to 1 (high level of democracy).

Below are two tables presenting the descriptive statistics of the variables used in the two sets of regressions. Table 1 contains the independent, dependent and control variables used in the first three regressions testing governments' apparent prioritization of social development. Table 2 contains the independent, dependent and control variables used in the last two regressions testing the adequacy (or the performance) of social safety net programs.

Table 1: Descriptive statistics of variables used in regressions on (DV) government's apparent prioritization of social development

	N	Minimum	Maximum	Mean	Std. Deviation
Top leadership's apparent prioritization of social development	2405	1,000	5,000	3,093	0,882

Power concentration	2405	0,000	1,000	0,521	0,202
GDP per capita	2060	4,970	10,340	7,151	0,878
ODA received	1918	-0,643	94,946	5,486	8,206
Levels of Democracy	2266	0,025	0,866	0,303	0,189
Levels of Corruption	795	-1,849	0,776	-0,707	0,494
Occurrence of conflict	2267	0,000	1,000	0,500	0,500
Cold war	2698	0,000	1,000	0,532	0,500

Table 2: Descriptive statistics of variables used in regressions on (DV) adequacy of social safety net programs

	N	Minimum	Maximum	Mean	Std. Deviation
Adequacy of social safety net programs	31	1,051	37,454	7,585	7,335
Power concentration	42	0,013	0,728	0,447	0,147
GDP per capita	42	5,940	10,220	7,547	0,905
Poverty	39	4,800	71,200	33,780	16,786
ODA received	41	-0,015	24,883	4,520	5,825
Levels of democracy	42	0,088	0,771	0,404	0,172
Levels of corruption	42	-1,691	0,487	-0,695	0,492
Occurrence of conflict	42	0,000	1,000	0,619	0,486

5. Presentation & Analysis of Results

Having outlined my research design, I now present and analyze the results of the five regressions.

5.1 Prioritization of social development

Table 3: Linear regression on top leadership's apparent prioritization of social development

	Model 1	Model 2	Model 3
(Constant)	2,830***	-0,121	-3,087***
	(0,050)	(0,387)	(0,663)
Power concentration	0,507***	0,893***	0,378**
	(0,089)	(0,094)	(0,123)
GDP per capita		0,341***	0,589***
		(0,043)	(0,072)
ODA received		0,003	0,015**
		(0,003)	(0,005)
Levels of democracy		1,181***	2,325***
		(0,138)	(0,231)
Occurrence of conflict		-0,262***	0,182**
		(0,046)	(0,065)
Levels of corruption			0,259**
			(0,080)
Cold War		-0,116**	
		(0,043)	
Country FE	Yes	Yes	Yes
R^2	0,013	0,549	0,799
Adjusted R^2	0,013	0,536	0,785
N	2405	1672	703

Note: Linear regression coefficients with standard errors in brackets
***p < 0,001, **p < 0,01, *p < 0,05

Model 1

The coefficients in Model 1 indicate that there is a positive relationship between power concentration and the top leadership's apparent prioritization of social development. A one unit increase in power concentration results in a 0.507 increase in the prioritization of social development. This is a big increase knowing that prioritization of social development is measured on a scale from 1 to 5. This relationship is statistically significant at a 99.9%

confidence interval. Still, the R Square value indicates that this model on;ly explains 1.3% of the variability within top leadership's prioritization of social development.

Model 2

In adding control variables, Model 2 yields more insights on the relationship between power concentration and the prioritization of social development. Most importantly, the coefficients indicate that there is still a positive and statistically significant relationship between these two variables ($p < 0.001$). A one unit increase in power concentration leads to a 0.886 increase in the prioritization of social development. This is a considerable increase considering the scale of the dependent variable and the coefficient of Model 1 (0.507).

The coefficients for GDP per capita and Levels of democracy are also positive and statistically significant at a 99.9% confidence interval. A one-unit increase in GDP per capita leads to a 0.341 increase in the prioritization of social development. The interpretation of this coefficient is made more difficult by the nature of this unit which is logged. On the contrary the impact of Levels of Democracy stands out as a one-unit increase represents the maximum value attainable for this variable and results in a 1.181 increase in the prioritization of social development. Though the coefficients for ODA received are positive (0.003), the relationship between this variable and the dependent variable is not statistically significant.

The coefficients also indicate that the relationship between conflict and the prioritization of social development is negative and statistically significant at a 99.9% confidence interval. This means that the occurrence of conflict results in a 0.262 decrease in the prioritization of social development. This is a small decrease considering the 5-point scale of prioritization of social development. The coefficient for Cold war indicates that there is also a negative and significant relationship between this variable and the prioritization of social development. This means that, post-1989 there is a 0.116 decrease in the prioritization of social development. This relationship is statistically significant at a 95% confidence interval.

The explanatory value of Model 2 increases when compared to Model 1. The R Square value indicates that this model explains 54.9% of the variability within the prioritization of social development, compared to 1.3% for Model 1.

Model 3

Although controlling for the levels of corruption reduces the N of this model because it only ranges from 1995 to 2020 and most variables have data available from 1960 onwards, this model does provide some valuable insights.

First, Model 3 supports previous models in asserting a positive and statistically significant relationship between power concentration and the prioritization of social development ($p < 0.001$). A one unit increase in power concentration leads to a 0,378 increase in the prioritization of social development.

The coefficients of Model 3 also indicate that the remaining control variables have positive and statistically significant relationships with the dependent variable. A one unit increase in Levels of democracy leads to a 2,325 increase in the prioritization of social development while a one unit increase in GDP per capita leads to a 0.589 increase. Both findings are statistically significant at a 99.9% confidence interval. A one-unit increase in ODA received leads to a 0.015 increase in the same dependent variable, and a one-unit increase in corruption leads to a 0.259 increase as well. The occurrence of conflict increases the prioritization of social development by 0.182. These three relationships are statistically significant at a 99% confidence interval.

The explanatory value of Model 3 is better than Model 1 and 2. The R Square value indicates that this model explains 79.9% of the variability within the prioritization of social development.

Mediation with Economic Development

Building on Model 2 and the control variables used in this model, Model 2.1 and Model 2.2 (see Appendix 2) show that economic development mediates the relationship between power concentration and the prioritization of social development.

The coefficients of Model 2.1 indicate that there is a positive and significant relationship between power concentration and the prioritization of economic development. A one unit increase in power concentration results in a 1.458 increase in the prioritization of economic development. This is a big increase considering the five-point scale on which the prioritization of economic growth is measured. This relationship is statistically significant at a 99.9% confidence interval.

The coefficients of Model 2.2 also indicate that there is a positive and significant relationship between the prioritization of economic development and the prioritization of social development. A one unit increase in power concentration results in a 0.58 increase in the prioritization of economic development. Considering the five-point scale on which both variables are measured, this is a big increase. This relationship is statistically significant at a 99.9% confidence interval.

5.2 Performance of social safety net programs

Having analyzed the impact of power concentration on the extent to which social development appears to be a priority in the discourse of a country's top leadership, I now present and analyze the results of the OLS regression on power concentration and the performance of social safety net programs.

Table 4: OLS regression on the adequacy of social safety net programs

	Model 4	Model 5
(Constant)	-0,196	-5,592
	(4,918)	(28,557)
Power concentration	16,765	21,038
	(10,218)	(11.936)
GDP per capita		-0,898
		(3,303)
Poverty		-0,090
		(0,186)
ODA received		0,436
		(0,204)
Levels of democracy		15,868
		(10,340)
Occurrence of conflict		-2,347
		(2,800)
Levels of corruption		-1,351
		(4,358)
R^2	0,085	0,393
Adjusted R^2	0,053	0,208
N	31	31

Note: OLS regression coefficients with standard errors in brackets
***p < 0,001, **p < 0,01, *p < 0,05

Model 4

The coefficients in Model 4 indicate that there is a positive but insignificant relationship between power concentration and the adequacy of social safety net programs. A one unit increase in power concentration results in a 16.77% increase in the household welfare of populations participating in social safety net programs. This relationship is not statistically significant. The R Square value indicates that this model only explains 8.5% of the variability within the adequacy of social safety net programs.

Model 5

The coefficients in Model 5 also indicate that there is a positive but insignificant relationship between power concentration and the adequacy of social safety net programs. A one unit increase in power concentration results in a 21.038% increase in the household welfare of populations participating in social safety net programs. This relationship is not statistically significant.

The coefficients indicate that both ODA received and Levels of democracy both have positive relationships with the dependent variable. A one unit increase in ODA received leads to a 0.436% increase in the household welfare of populations participating in social safety net programs; and a one unit increase in levels of democracy results in a 15.868% increase as well. These relationships are not statistically significant.

On the other hand, the coefficients also indicate that GDP per capita, Poverty, Levels of corruption, and the Occurrence of conflict have negative relationships with the dependent variable. A one-unit increase in logged GDP per capita results in a 0.898% decrease in the household welfare of populations participating in social safety net programs, a one-unit increase in Poverty results in a 0.090 decrease in welfare, a one-unit increase in Levels of corruption results in a 1.351 decrease as well, and the occurrence of conflict decreases household welfare by 2.35%. These relationships are not statistically significant.

The R Square value indicates that this model explains 39.3% of the variability within the adequacy of social safety net programs.

Acknowledging the small N of this model and the number of control variables included, this model runs the risk of being overpowered. Separate regressions were carried out with each

control variable to check that this model does not suffer from this. In these separate regressions, all coefficients expect for one, the Poverty headcount ratio, shared the same direction and significance which indicates that this model is not overpowered by its control variables.

Assumptions for Linear Regressions

The five regressions carried out plus the two used in the mediation meet the assumptions required for linear regressions. Although some variables have VIF scores above 10 in Model 3, they are statistically significant which indicates that they are not problematic. Independent variables which appeared to be constants or have missing correlations were removed from the models. This was the case for the Cold War variable, which has constant values in regressions including the variable on Levels of Corruption (which only has data from 1995 to 2020). An analysis of the scatterplots shows that the relationship between the different independent variables and dependent variables is linear. Scatterplots of standardized residuals over standardized predicted values show no heteroskedasticity, except in the case of Model 4 and 5 where a loose funnel shape appears. This can be attributed to the small N of these samples. Similarly, P-P plots show that errors are normally distributed for the first three models. Again, Model 4 and 5 do not entirely fulfill this assumption, but this can be attributed to their small N.

Checking the partial plots for each regression, the eye-test shows some outliers. The casewise diagnostics also flag multiple cases. However, after checking the Cook's distance of flagged cases, it is certain that these cases do not unduly influence any of the regressions. This is also confirmed when filtering out outliers (cases with standard residuals greater than 2 and lower than -2) and running the regressions again. Model 4 is problematic because when filtering out outliers, the coefficient for power concentration becomes negative. This indicates that outliers have a substantive influence on the model and that Model 4 does not meet the assumptions required for linear regressions. That said, Model 5 meets these assumptions and in assessing the same independent and dependent variable can address the limitations presented in Model 4.

Discussion

The results lead me to accept the first hypothesis; increases in power concentration have a positive impact on a governments' public service delivery. The coefficients of the first three models indicate that there is a positive and statistically significant relationship between power

concentration and the apparent prioritization of social development by top leadership. Considering the fact that leader's discourse might not always align with their actions or the outcomes of development policies, two regressions were run using another dependent variable: the adequacy of social safety net programs, which is a good indicator of the performance of social safety net programs. The coefficients of these regressions are positive, but not statistically significant. It is important to note that the absence of statistical significance could be expected due to the small sample size (N = 31). Overall, the results indicate to a large extent that power concentration has a positive effect on the delivery of public services.

Looking at the coefficients of GDP per capita also provide some valuable insights into the relationship between power concentration and public service delivery. While GDP per capita has a positive and significant impact on the apparent prioritization of government's social development agenda, it has a negative impact on the performance of social safety net programs. This implies that while economic growth might lead to governments prioritizing social development, it also diminishes the household welfare of populations participating in social safety net programs. These findings echo what Chiengkul (2019) and scholars of development often claim regarding the lack of redistribution that accompanies economic growth and developmental policies. While the impact of economic growth on the delivery of public services remains debatable, Models 2.1 and 2.2 indicate that the prioritization of economic development mediates the relationship between power concentration and the prioritization of social development.

It is also important to note that like power concentration, coefficients indicate a positive relationship between levels of democracy and public service delivery. This supports claims made by conventional regime theory and scholars like Acemoglu et al. (2019) who argue that democracies invest more in public goods.

Looking at Model 3, controlling for Levels of corruption increased the explanatory value of the model by 24.9%. This is a large increase and implies that levels of corruption account for a lot of the variation in the extent to which leaders prioritize social development. While the coefficients of Model 3 indicate a positive relationship between Levels of corruption and the leader's apparent prioritization of social development, the coefficient of Model 5 indicate that there is a negative relationship between Levels of corruption and household welfare of populations participating in social safety net programs. This implies that corruption does not

hinder the setting of an agenda that strives for social development, but perhaps distorts its implementation. When Chiengkul's (2019) argues that development policies which encourage economic and political concentration increase economic inequality because they are not socially redistributive, looking at levels of corruption can potentially explain why certain policies are more redistributive and successful in causing growth than others.

6. Conclusion

In discussing what growth is, what causes it, and what improves the welfare of citizens, this paper fills a gap in the literature by exploring the impact of power concentration on public service delivery. Three time-series regressions were conducted to assess the impact of power concentration on the prioritization of social development, and two OLS regressions were conducted to explore the relationship between power concentration and the performance of social safety net programs. As a result, I find that power concentration has a positive and significant impact on the prioritization of social development and a positive but insignificant impact but on the performance of social safety net programs.

Implications

First, these findings imply that the extent to which power is concentrated in a government has an impact on the outlining of social development agendas and their implementation. This validates Political Settlement theorists' move beyond conventional regime theory in explaining diverging developments and their focus on how power is divided. These findings also validate the need to assess different indicators of development and go beyond common conceptualizations of development as industrial growth. Political Settlement theorists have yet to include notions of environmental sustainability in their conceptualizations of growth.

This study also demonstrates the importance of other variables in shaping power concentration's impact on public service delivery. The influence of economic growth, the levels of democracy, and corruption stand out in the discussion section. While this paper does not address whether economic growth leads to more or less social development, Model 2.1 and Model 2.2 establish that economic development plays an import role in mediating the relationship between power concentration and the prioritization of social development. This paper also finds that while corruption does not hinder the setting of an agenda that strives for social development, it has a negative impact on the performance of social safety net programs.

Lastly, the results support claims made by conventional regime theory that democracies invest more in public services.

Limitations & Recommendations for Future Research

While this study yields some interesting insights on the relationship between power concentration and public service delivery, it is limited in certain regards. Firstly, Schulz and Kelsall's (2021) data is based on expert coding which means that the variables of this dataset measure what experts perceive to be the reality of a situation (eg. the extent to which power seems to be concentrated, or the extent to which social development appears to be a priority in a leader's discourse). Although a minimum of three experts were called upon per country, the potential for bias and the difficulty in quantifying abstract concepts limit the validity of this dataset and its use in this study.

The difficulty in measuring concepts is evident when looking at the variable titled *Government prioritization of social development.* This variable limits this study's research of public service delivery to the experts' judgment of leaders' apparent prioritization of social development. While an alternative dependent variable is used to further test the impact of power concentration on public service delivery, further research could use different variables to test this relationship. This would also address the limitations found in Model 4 and 5 testing the alternative dependent variable. Having attributed the lack of statistical significance of these models to their small sample size, it would be interesting to repeat this study with a larger sample and observe the outcome.

Still, using Schulz and Kelsall's (2021) variables has advantages. The *Power Concentration Index* is quite robust in that it encompasses vertical and horizontal dimensions of power concentration as theorized by Khan (2010). Variables in this data set were also made to be compared between countries. This is not the case for some of the World Bank indicators. The variable on the Adequacy of social safety net programs is normally not used in cross-country studies because programs vary a lot across countries, and this impacts the extent to which social programs are captured in household income. Similarly, it is not advised to compare Poverty headcount ratios because they are based on local perceptions of what is needed to be non-poor. These specific economic and social circumstances vary across countries. Further research could make use of different measures to account for the fact that variables like poverty, democracy, and corruption are multifaceted. In testing the different facets of these phenomena, future

research could yield new insights on how these realities impact the specific mechanisms of power concentration and improve public service delivery. In doing so, it could explain why countries with high power concentration and low public service delivery persist.

Lastly, in considering avenues for further research, an additional two recommendations can be made. First, this study could be repeated with a renewed version of the PolSett dataset which includes countries of the Global North. This would allow us to test a broader range of countries, further address the validity of regime theory, assumptions made about democratization processes, and the *de facto* dispersal of power within democratic regimes. Second, a measure for the extent to which development is environmentally, socially and economically sustainable could be added. In an age where countries all over the world are already experiencing the consequences of climate change, the long-term impact of development is also an important issue to tackle.

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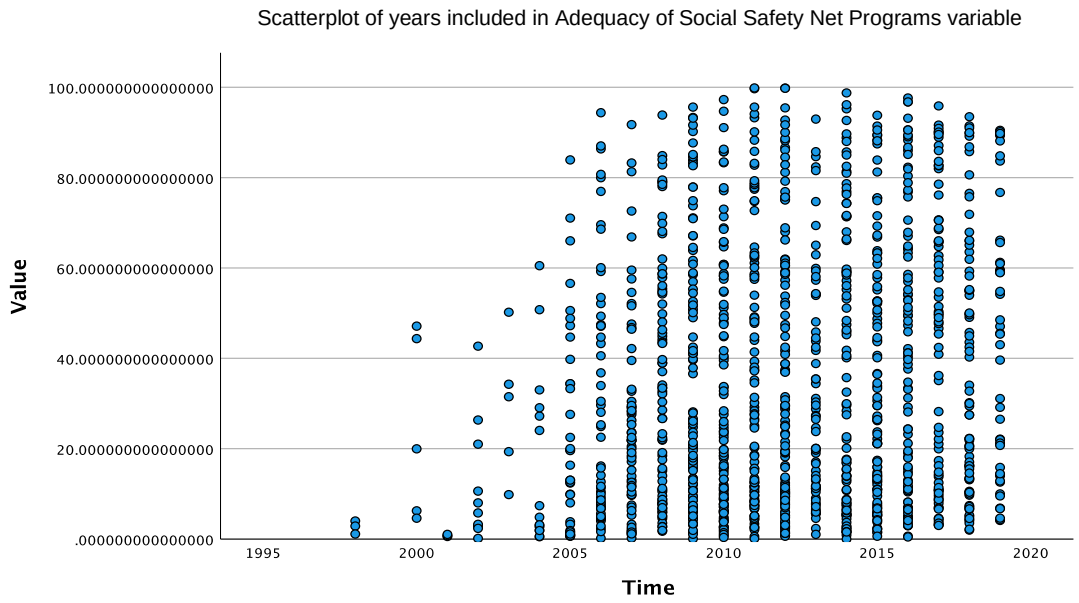
Appendix 1:

Scatterplot demonstrating years included in Adequacy of Social Safety Net Programs variable (ran in Adequacy_of_social_safety_programs_Full.sav):



Appendix 2:

Building on Model 2, Model 2.1 and Model 2.2 assess the extent to which economic development mediates the relationship between power concentration and the prioritization of social development.

Table 5: Linear regression on top leadership's apparent prioritization of economic development

	Model 2.1
(Constant)	0,819
	(0,378)
Power concentration	1,458***
	(0,092)
GDP per capita	0,135***
	(0,042)
ODA received	0,004
	(0,003)
Levels of democracy	1,138***
	(0,135)
Occurrence of conflict	0,034
	(0,045)
Cold War	-0,046
	(0,042)
Country FE	Yes
R^2	0,532
Adjusted R^2	0,518
N	1672

Note: Linear regression coefficients with standard errors in brackets
***p < 0,001, **p < 0,01, *p < 0,05

Table 6: Linear regression on top leadership's apparent prioritization of social development

	Model 2.2
(Constant)	-0,596
	(0,319)
Top leadership's apparent prioritization of economic development	0,580***
	(0,021)
Power concentration	0,047
	(0,084)
GDP per capita	0,263***
	(0,035)
ODA received	0,001
	(0,003)
Levels of democracy	0,521***
	(0,117)
Occurrence of conflict	-0,282***
	(0,38)
Cold War	-0,089
	(0,035)
Country FE	Yes
R^2	0,694
Adjusted R^2	0,685
N	1672

Note: Linear regression coefficients with standard errors in brackets
***p < 0,001, **p < 0,01, *p < 0,05