GOVERNANCE, PUBLIC SPENDING, AND DEVELOPMENT: ASSESSING ASIAN COUNTRIES’ PERFORMANCE

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Abstract. This comprehensive study aims to investigate the role that governance and public spending have played on selected modern and sustainable development indicators. In order to reach the conclusion, it is hypothesized that governance, public spending and other socio-economic factors would have some effects on selected development indicators. In light of such assumptions, a number of theories relating to sustainable development, governance and public spending are then explored and examined. This study differs from several other literatures in the field of development indicators as here, World Development Indicators (WDIs) are used to represent development, owing to their comprehensive focus that are highly related to the core concept of development. Cross-sectional multiple regression is used to analyze the average data of the period between 2013 and 2015. The results reveal that governance variables, health expenditure, and GDP per capita have the most positive impact on WDIs. This implies that the government should first be effective and trustworthy, and that it should be equipped with good governance. In addition, good and effective health expenditure must be ensured, as well as economic growth, in order to achieve better development outcomes.

Keywords: Development, governance, public spending, Asia.

Raktažodžiai: vystymasis, valdymas, viešosios išlaidos, Azija.
Introduction

Considering development as a policy goal, it is fascinating to find out what factors determine development, especially in the twenty-first century. Particularly important for governments and policymakers, is the issue of governance which is always measured by several indicators. The question to ascertain is whether achieving better levels of governance can lead to desirable development outcomes. Another concern among governments has to do with public spending, an issue which reflects how governments behave in practice. It is also interesting to investigate whether public spending can affect development outcomes in the twenty-first century.

Asia is a continent of vast diversity in all aspects, especially wide-ranging in socio-political aspects and economic performance. In particular, this century saw a big trend of socio-economic transformation in Asia as a whole, accompanied by developing industries and increased consumption. As one of the main tasks of government is to uphold the development discussed above, this paper aims to explore and answer the question of whether particular sets of government performance patterns, including governance and public spending, contribute to better development outcomes particularly among Asian countries. Quantitative analysis, particularly cross-section multiple regression analysis, is used in this study of the data of Asian countries in 2016. This study collects secondary data on selected indicators, both dependent and independent variables, from the World Bank database.

This study adds to the literature, particularly on development studies and public policy analysis, by investigating which governance indicators, and whether public spending, contribute to better development outcomes measured by World Development Indicators (WDI). The indicators of WDI can, to a certain extent, represent various dimensions of development, especially that of sustainability. The results of this study will be beneficial to policymakers across Asian countries as they help to suggest how Asian countries could achieve desirable development outcomes. The evidence found can serve as a policy implication to help policy makers achieve sustainable development.

Theoretical and Conceptual Background

Development Paradigms

A number of theories are employed in order to serve as a basis to understand the different factors affecting the outcome of this study. Glemarec and Oliveira (2012, 208-209) have observed the development paradigm throughout the years and they have developed five main schools of thought.

Firstly, they note the growth-focused development paradigm, which emphasizes the use of capital to create economic development as measured by economic growth. Secondly, they identify the pro-poor growth development paradigm. This paradigm addresses the importance of the quality of growth that should result in the reduction of poverty, inequality, and unemployment. In third place is the human-based development
paradigm, which was explored by Mahbub (2003, 17) in his work “The Human Development Paradigm”. The fourth theory is the green-growth development paradigm which proposes a combinative approach of both growth-focus and human-based development. Finally, there is the resilient growth development paradigm, which points out that society nowadays faces ever-increasing complexities, and society’s ability to implement a timely solution is critical (Homer-Dixon 2000, 10-11).

**World Development Indicators**

Although many articles rest their analysis on various development indicators such as millennium development goals, human development indicators, or the traditional socio-economic development indicators, this article aims to extend the literature in the field by choosing instead the World Development Indicators (WDI). This choice thus permits an exploration of the development performance from a different viewpoint. In this regard, twelve indicators are drawn from WDIs. These are: access to an improved water source; access to improved sanitation; access to electricity; renewable energy consumption; expenditures for research and development; urban population living in slums; ambient pm2.5 air pollution; adjusted net savings; carbon dioxide emissions; nationally protected terrestrial and marine areas; intentional homicides; and internet use.

**Governance and Development**

Several scholars examine the role of governance in the development of aspects including effective, responsive, and accountable state institutions, which allow states to be more responsive to the needs of all stakeholders, and encourage openness and transparency as well as access to information. North (1990) articulates that institutions tend to have effects on the socio-economic development of countries. Institution itself refers to a system of established and prevalent social rules that structure social interactions, and which function both to constrain and enable behavior (Hodgson 2006, 18-19). There are widely accepted arguments that point out that governance would play an important role in achieving sustainable development.

In order to effectively assess a country’s performance of governance, the indicators called the “Worldwide Governance Indicators (WGI)” were created. The WGIs consist of six composite indicators of broad dimensions of governance covering over 200 countries since 1996, and are as follows: voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law, and control of corruption (Kaufmann et al. 2010, 1-2).
Public Spending and Development

During the 1930s, Keynesian economics emerged to support government intervention. This model argues that decisions from the private sector sometimes lead to inefficient economic outcomes, thus government intervention is required in order to stabilize the economy through measures such as the increase of consumption and government expenditure. However, the monetarists assert that markets naturally move towards the equilibrium, thus any incorrect set of money supply could cause the market to perform incorrectly. The monetarists support the control of government expenditure as a key to achieve economic welfare (Jahan and Papageorgiou 2014, 38-39).

According to Gwatney, Lawson, and Holcombe (1998, 27), different sizes of governments, which are determined by the proportion of government expenditures as a share of GDP, will produce varying yet significant outcomes. Barro (1990, 103-104) suggests that public investment raises the productivity of private investment and can play a large role in determining growth. However, Pritchett (1996, 1-2) considers that the government itself may not act in a cost-efficient manner with regard to public expenditure where it may have been affected by corruption and patronage. A lack of necessary good governance qualities results in weak government and, significantly, the inability to effectively manage the spending, as pointed out by Campos and Pradhan (1996, 37-38). Rajkumar and Swaroop (2008, 96) have found that public spending tends to have rather an unsuccessful impact in countries with poor governance, and is more effective in countries with better governance.

Framework and Research Methods

This study utilizes quantitative methods to examine the impact of governance and public spending on WDI indicators. The design of this research is both descriptive and exploratory. In exploring the outcome, the following data can be separated into two groups. The first group considers independent variables including Worldwide Governance Indicators (WGIs); public spending; and economic and demographic factors. The second group considers Worldwide Development Indicators (WDIs) as dependent variables. By regressing the sets of independent variables for each type of dependent variables, the study will then be able to examine which independent variables affect WDIs. The Independent variables are the indicators from Worldwide Governance Indicators (WGIs) that are expected to have a positive impact on the World Development Indicators. Variables in public spending (PS) and economic and demographic factors (EDF) are also used to explore any possible relationship they might have on WDI. The relationship between the variables is tested according to the framework shown in Figure 1. The study uses average data from the time period of 2013-2015 as there are several missing variables from country to country in different years.
Worldwide Governance Indicators (WGI)

- Government Effectiveness
- Control of Corruption
- Political Stability and Absence of Violence
- Regulatory Quality
- Rule of Law
- Voice and Accountability

Public Spending

- Government Expense (% of GDP)
- Government expenditure on education, total (% of GDP)
- Health expenditure, public (% of government expenditure)
- Military expenditure (% of central government expenditure)

Economic and Demographic Factors

- GDP Per Capita
- Inflation Rate
- Population (Annual Growth Rate)
- Unemployment Rate

World Development Indicators (WDI)

- Access to an improved water source
- Access to improved sanitation facilities
- Access to electricity
- Renewable energy consumption
- Expenditure for R&D
- Urban population living in slums
- Ambient PM 2.5 air pollution
- Adjusted net savings
- Carbon dioxide emissions
- Nationally protected terrestrial and marine areas
- Intentional homicides
- Internet use

Figure 1: Conceptual framework
The main data of the WDIs are drawn from World View, the database provided by the World Bank illustrating data on WDIs (http://wdi.worldbank.org/tables), which frames global trends with indicators on population, population density, urbanization, GNI, and GDP. As in previous years, the World View online tables present indicators measuring the world’s economy and progress towards improving lives, achieving sustainable development, providing support for vulnerable populations, and reducing gender disparities.

This study examines the effects of the aforementioned factors on 44 Asian countries, with the exception of the United Arab Emirates in which data is incomplete. The countries are as follows: Afghanistan, Armenia, Azerbaijan, Bahrain, Bangladesh, Bhutan, Brunei, Cambodia, China, India, Indonesia, Iran, Iraq, Israel, Japan, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Laos, Lebanon, Malaysia, Maldives, Mongolia, Myanmar, Nepal, North Korea, Oman, Pakistan, Palestine, Philippines, Qatar, Saudi Arabia, Singapore, South Korea, Sri Lanka, Syria, Tajikistan, Thailand, Timor-Leste, Turkmenistan, Uzbekistan, Vietnam and Yemen. Data has been collected from the original source of indicators selected in this study, which is the World Bank data for WGIs, WDIs, and also public spending.

**Model specifications**

The following function was developed by this study in order to simplify the analysis of the impact of independent variables (World Governance Indicators, Public Spending, and Economic-Demographic Factors) on development indicators measured by World Development Indicators of 44 Asian countries.

World Development Indicators (WDI) = \( f \) (World Governance Indicators, Public Spending, Economic-Demographic Factors)

This function was used for the analysis in this study, which intended to investigate the impact of selected indicators, or independent variables, on World Development Indicators (WDIs) in 44 countries in Asia. Where World Governance Indicators (WGIs) that are covered in this study include WGI\(_1\) (government effectiveness), WGI\(_2\) (control of corruption), WGI\(_3\) (political stability and absence of violence), WGI\(_4\) (regulatory quality), WGI\(_5\) (rule of law), and WGI\(_6\) (voice and accountability). Public spending (PS) is another group of independent variables where PS\(_1\) is government expense (% of GDP), PS\(_2\) is total government expenditure on education (% of GDP), PS\(_3\) is expenditure on public health (% of government expenditure), and PS\(_4\) is military expenditure (% of central government expenditure). Economic-demographic factors (EDFs) used in this study include EDF\(_1\) (GDP per capita), EDF\(_2\) (inflation rate), EDF\(_3\) (annual population growth rate), and EDF\(_4\) (unemployment rate).

As for the dependent variables in the World Development Indicator (WDI), WDI\(_1\) is access to an improved water source, WDI\(_2\) is access to improved sanitation facilities, WDI\(_3\) is access to electricity, WDI\(_4\) is renewable energy consumption, WDI\(_5\) is expenditure for r&d, WDI\(_6\) is urban population living in slums, WDI\(_7\) is ambient pm 2.5 air...
pollution, WDI₈ is adjusted net savings, WDI₉ is carbon dioxide emissions, WDI₁₀ is nationally protected terrestrial and marine areas, WDI₁₁ is intentional homicides, and WDI₁₂ is internet use. WGI6, WGI7, and WGI8 are not covered in this study as there are too many missing variables among Asian countries and they produce no significant estimation at all.

**Research findings**

Before describing the results of this study, the descriptive statistics shown below illustrate first and foremost the summary of dependent variables, which are basically selected variables from the Worldwide Development Indicators (WDIs). This is shown in Table 1.

<table>
<thead>
<tr>
<th>Dependent variables</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Median</th>
<th>Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to an improved water source (WDI1)</td>
<td>42</td>
<td>55</td>
<td>100</td>
<td>90.33</td>
<td>95</td>
<td>100</td>
</tr>
<tr>
<td>Access to improved sanitation facilities (WDI2)</td>
<td>42</td>
<td>32</td>
<td>100</td>
<td>80.95</td>
<td>90</td>
<td>100</td>
</tr>
<tr>
<td>Access to electricity (WDI3)</td>
<td>44</td>
<td>32.40</td>
<td>100</td>
<td>91.05</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Renewable energy consumption (WDI4)</td>
<td>38</td>
<td>0</td>
<td>90.30</td>
<td>23.89</td>
<td>14.15</td>
<td>0.90</td>
</tr>
<tr>
<td>Expenditure for R&amp;D (WDI5)</td>
<td>26</td>
<td>0.10</td>
<td>4.30</td>
<td>0.89</td>
<td>0.25</td>
<td>0.20</td>
</tr>
<tr>
<td>Carbon dioxide emissions (WDI9)</td>
<td>44</td>
<td>0.20</td>
<td>40.50</td>
<td>6.86</td>
<td>3.40</td>
<td>0.40</td>
</tr>
<tr>
<td>Nationally protected terrestrial and marine areas (WDI10)</td>
<td>44</td>
<td>0.10</td>
<td>47.30</td>
<td>8.68</td>
<td>3.70</td>
<td>2.10</td>
</tr>
<tr>
<td>Intentional homicides (WDI11)</td>
<td>41</td>
<td>0.30</td>
<td>9.90</td>
<td>3.54</td>
<td>2.90</td>
<td>0.50</td>
</tr>
<tr>
<td>Internet use (WDI12)</td>
<td>44</td>
<td>0.00</td>
<td>93.50</td>
<td>45.77</td>
<td>41.75</td>
<td>19</td>
</tr>
</tbody>
</table>

The initial descriptive data for 44 Asian countries suggests that there are two groups of development indicator scores; relatively high scores, and those indicators that have large variations and quite low or moderate development scores. The variables that account for the first characteristics are access to an improved water source (WDI₁), access to improved sanitation facilities (WDI₂), and access to electricity (WDI₃), with a mean (out of 100) of 90.33, 80.95, and 91.05 respectively. All three variables show similarities in that all 44 Asian countries as a whole performed quite well in these three variables.

For the second characteristics, renewable energy consumption (WDI₄), expenditure for R&D (WDI₅), carbon dioxide emission (WDI₉), nationally protected terrestrial and marine areas (WDI₁₀), intentional homicides (WDI₁₁) internet use (WDI₁₂) are all factors for the group with relatively low or moderate mean value. The variables in the second group have similar traits in that they exhibit variations. From the evidence of the indicators, the level of development is high for upper-middle income and high-income coun-
tries. Renewable energy consumption (WDI$_9$) is exceptional as it has very limited data and, as conventional energy still captures the mainstream source, an unexpected country such as Laos PDR leads in this variable.

Table 2 illustrates the results of data analysis derived from the cross-sectional multiple regression method. Most of the estimations illustrate quite high adjusted R-square, with a value of more than 0.6 for almost every equation, and with some very high adjusted R-square in a few cases (except nationally protected terrestrial and marine areas (WDI 10) that have relatively low adjusted R-square). This implies that the dependent variables (WDIs) are well explained by the set of independent variables ranging from governance indicators, public spending, and economic-demographic factors. Nevertheless, it must be noted that two indicators in WDIs, specifically carbon dioxide emissions (WDI$_9$) and intentional homicides (WDI$_{11}$), possess a negative impact from independent variables due to their nature of indication as outlined above.

For WGIs, government effectiveness (WGI$_1$), control of corruption (WGI$_2$), regulatory quality (WGI$_3$), and rule of law (WGI$_4$), have illustrated the most significant impact on WDIs, while political stability and absence of violence (WGI$_5$) has shown impact on three WDIs. Among public spending variables, only health expenditure (PS$_3$) is found to have impact on dependent variables among all types of public spending. As for the economic-demographic factors, GDP per capita (EDF$_1$) is found to have the most significant impact on the total of six WDIs, followed by the inflation rate (EDF$_2$), and the annual population growth rate (EDF$_3$), that affect one WDI each.

**Table 2: Estimations of Variables Affecting World Development Indicators**

<table>
<thead>
<tr>
<th>Variables</th>
<th>WDI$_1$</th>
<th>WDI$_2$</th>
<th>WDI$_3$</th>
<th>WDI$_4$</th>
<th>WDI$_5$</th>
<th>WDI$_6$</th>
<th>WDI$_7$</th>
<th>WDI$_8$</th>
<th>WDI$_9$</th>
<th>WDI$_10$</th>
<th>WDI$_11$</th>
<th>WDI$_12$</th>
</tr>
</thead>
<tbody>
<tr>
<td>WGI$_1$</td>
<td>0.277***</td>
<td>0.299*</td>
<td>0.261**</td>
<td>-0.111</td>
<td>0.034***</td>
<td>0.165***</td>
<td>0.245</td>
<td>-0.04</td>
<td>0.755***</td>
<td>-4.72</td>
<td>-2.53</td>
<td>-1.212</td>
</tr>
<tr>
<td>WGI$_2$</td>
<td>0.283***</td>
<td>0.362***</td>
<td>0.342***</td>
<td>-0.222</td>
<td>0.039***</td>
<td>0.154***</td>
<td>-0.058</td>
<td>-0.039</td>
<td>0.815***</td>
<td>-5.08</td>
<td>-3.28</td>
<td>-2.589</td>
</tr>
<tr>
<td>WGI$_3$</td>
<td>0.105</td>
<td>0.232</td>
<td>0.129</td>
<td>0.166</td>
<td>0.012</td>
<td>0.162***</td>
<td>0.133</td>
<td>-0.028</td>
<td>0.440***</td>
<td>-1.485</td>
<td>-1.073</td>
<td>-1.884</td>
</tr>
<tr>
<td>WGI$_4$</td>
<td>0.237***</td>
<td>0.369***</td>
<td>0.273***</td>
<td>-0.79</td>
<td>0.031***</td>
<td>0.156***</td>
<td>-0.135</td>
<td>-0.036</td>
<td>0.815***</td>
<td>-3.86</td>
<td>-3.34</td>
<td>-2.467</td>
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<tr>
<td>WGI$_5$</td>
<td>0.267***</td>
<td>0.331***</td>
<td>0.291***</td>
<td>-0.698</td>
<td>0.033***</td>
<td>0.179***</td>
<td>0.039</td>
<td>-0.039</td>
<td>0.775***</td>
<td>-4.76</td>
<td>-3.45</td>
<td>-2.760</td>
</tr>
<tr>
<td>Variables</td>
<td>WDI&lt;sub&gt;1&lt;/sub&gt;</td>
<td>WDI&lt;sub&gt;2&lt;/sub&gt;</td>
<td>WDI&lt;sub&gt;3&lt;/sub&gt;</td>
<td>WDI&lt;sub&gt;4&lt;/sub&gt;</td>
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<td>WDI&lt;sub&gt;6&lt;/sub&gt;</td>
<td>WDI&lt;sub&gt;7&lt;/sub&gt;</td>
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<td>WDI&lt;sub&gt;9&lt;/sub&gt;</td>
<td>WDI&lt;sub&gt;10&lt;/sub&gt;</td>
<td>WDI&lt;sub&gt;11&lt;/sub&gt;</td>
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</tr>
<tr>
<td>WGI&lt;sub&gt;1&lt;/sub&gt;</td>
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<td>0.101</td>
<td>0.07</td>
<td>0.12</td>
<td>0.036***</td>
<td>0.005</td>
<td>-0.081</td>
<td>-0.035</td>
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<td></td>
<td>-0.777</td>
<td>-0.339</td>
<td>-0.558</td>
<td>-0.376</td>
<td>-4.08</td>
<td>-0.082</td>
<td>(-0.873)</td>
<td>(-0.694)</td>
<td>-1.46</td>
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</tr>
<tr>
<td>PS&lt;sub&gt;1&lt;/sub&gt;</td>
<td>-0.242</td>
<td>-0.436</td>
<td>-0.485</td>
<td>-0.622</td>
<td>0.094</td>
<td>0.059</td>
<td>-0.002</td>
<td>0.028</td>
<td>0.064</td>
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<tr>
<td></td>
<td>(-1.410)</td>
<td>(-1.265)</td>
<td>(-2.084)</td>
<td>(-1.373)</td>
<td>(-1.665)</td>
<td>(-0.521)</td>
<td>(-0.016)</td>
<td>(-0.254)</td>
<td>(-0.148)</td>
<td></td>
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<tr>
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<td>0.222</td>
<td>0.135</td>
<td>0.54</td>
<td>-0.498</td>
<td>0.324</td>
<td>-0.728</td>
<td>0.652</td>
<td>-0.327</td>
<td>-2.991</td>
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<td></td>
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<td>-0.042</td>
<td>-0.285</td>
<td>-0.128</td>
<td>-1.39</td>
<td>(-0.716)</td>
<td>-0.455</td>
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<td>(-0.739)</td>
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<tr>
<td>PS&lt;sub&gt;3&lt;/sub&gt;</td>
<td>2.307*</td>
<td>5.419*</td>
<td>3.010**</td>
<td>-4.971</td>
<td>0.514***</td>
<td>1.324</td>
<td>-0.394</td>
<td>-0.246</td>
<td>6.722*</td>
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<td>-2.63</td>
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<td>PS&lt;sub&gt;4&lt;/sub&gt;</td>
<td>0.07</td>
<td>0.606</td>
<td>0.471</td>
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<td>-0.01</td>
<td>0.178</td>
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<td></td>
<td>-0.216</td>
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<td>-0.728</td>
<td>(-0.516)</td>
<td>(-0.160)</td>
<td>-1.062</td>
<td>-1.472</td>
<td>(-0.725)</td>
<td>-1.159</td>
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<tr>
<td>EDF&lt;sub&gt;1&lt;/sub&gt;</td>
<td>0.214**</td>
<td>0.001***</td>
<td>0.162*</td>
<td>-0.001</td>
<td>0.228*</td>
<td>0.419***</td>
<td>-0.239</td>
<td>-0.104</td>
<td>0.001***</td>
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<tr>
<td></td>
<td>-2.9</td>
<td>-3.46</td>
<td>-2.17</td>
<td>(-2.708)</td>
<td>-2.09</td>
<td>-9.7</td>
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<td>-1.737</td>
<td>-0.01</td>
<td>-5.204</td>
<td>-0.395</td>
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<td>(-2.210)</td>
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<td>EDF&lt;sub&gt;3&lt;/sub&gt;</td>
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<td>-2.827</td>
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<td>-0.27</td>
<td>-0.1</td>
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<td>-0.133</td>
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<td>(-0.880)</td>
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<tr>
<td>R&lt;sup&gt;2&lt;/sup&gt;</td>
<td>0.83</td>
<td>0.94</td>
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<td>0.99</td>
<td>0.78</td>
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<tr>
<td>Adjusted R&lt;sup&gt;2&lt;/sup&gt;</td>
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<td>0.72</td>
<td>0.41</td>
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<td>0.61</td>
<td>0.2</td>
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<td>F-statistic</td>
<td>3.27*</td>
<td>36.53*</td>
<td>8.80***</td>
<td>22.52*</td>
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<td>16.05**</td>
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Note: “*” means Sig 0.05, “**” means Sig 0.01, and “***” means 0.
Discussions

The results above indicate that Asian countries with different levels of governance, public spending, and economic-demographic indicators, produce different development outcomes. As for government effectiveness (WGI1), control of corruption (WGI2), regulatory quality (WGI4) and rule of law (WGI5), it is obvious that these variables serve as the core agent for bringing about development, which requires good public management, as these governance variables are shown to be statistically significant. Surprisingly, political stability, absence of violence (WGI3), and voice and accountability (WGI6) are found to have an insignificant effect. The conclusion drawn from this result is that these could have an indirect effect on development through effective public management.

For public spending, it is evident that countries with a higher level of health expenditure (PS3) are more exposed to better levels of development indicators. The reason behind such a particular outcome could stem from the fact that health expenditure involves the maintenance of health and well-being, which links to several indicators of a modern concept of development (Piabuo and Tieguhong 2017, 1-13). Lastly, for economic-demographic factors, the findings suggest that GDP per capita (EDF1) plays an important role in ensuring improved standards of living. For people to have an improved quality of life, it is important that they do not resort to methods that are not sustainable or harmful (Stockholm International Water Institute 2007; International Monetary Fund 2004; Amiri and Reif 2013, 50-60). Therefore, according to the estimation, governments in Asia should primarily improve their governance capability, along with investing in the populations’ health and improved income. Drawing from this aspect, it should be noted that development that is sustainable could not be achieved without good public management that considers all its stakeholders, a population with good health, and improved standards of living through better economy as a whole.

As for carbon dioxide emissions (WDI9), the data suggests that those countries with a higher governance level and with high income tend to produce higher proportions of carbon dioxide. Such a particular outcome can be explained by the fact that these countries are mainly high-income countries, and that their economies rely on industries. In addition, for intentional homicides (WDI11), the data suggests that inflation (EDF2) is the main influential factor. The finding suggests that the higher the inflation, the more chance there is that people will commit crimes due to the limits of income and spending power.
Conclusions

1. The results suggest that most of the governance indicators, levels of health expenditure, and GDP Per Capita, show the most significant impact on WDIs. This particular result suggests to the government that governance or, rather, the necessary quality of good government is still the core requirement, and that this must be implemented seriously should they wish to achieve successful development outcomes.

2. In addition, the result indicated by the health expenditure variable suggests that quality spending on health is also a key necessity in order to to achieve higher level of development, as this encourages people to lead a healthy lifestyle and, in turn, to strive towards other aspects of development.

3. GDP Per Capita also suggests that a good economic system that can increase and diversify income to all levels of society is the controlling factor that will allow people to have a good quality of life.

4. Along with investing in their citizens’ health and optimizing public management, governments in Asia need to improve their governance capabilities in order to achieve higher levels of development.

References


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