



**PUBLIC SECTOR GOVERNANCE AND SERVICE DELIVERY EFFICIENCY: A  
STUDY OF ADMINISTRATIVE REFORMS IN DEVELOPING NATIONS**

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**1. ABSTRACT**

Governance in the public sector is important in determining the performance of service delivery in the developing countries. This is irrespective of the fact that there is little empirical data on whether governance gains are being converted to efficiency gains that can be measured despite the massive administrative reforms introduced within the last twenty years. This paper will analyse how the quality of governance influences the efficiency of the service delivery in 52 developing nations between 2000 and 2023. The study uses panel fixed-effects and system GMM estimators to deal with endogeneity and country-specific heterogeneity using the governance indicators provided by the World Bank and the service outcome data provided by the United Nations. The higher the quality of governance, the more efficient delivery is. Control of corruption and regulatory quality have the most positive impacts in terms of governance dimensions. More so, the governance- efficiency relationship is mediated by administrative reform projects in part, especially in developing economies with middle incomes. The results have an implication in the literature as they represent current cross-country panel evidence of the governance service delivery nexus. The policy implications are strengthening the institution and enforcing anti-corruption and implementing sustained reforms to enhance the performance of the public sector in developing countries.

**2. KEYWORDS:** Public Sector Governance; Administrative Reforms; Efficiency of Service Delivery; Developing Nations; Panel Data Analysis; Institutional Quality; Public Administration.

**JEL CODES:** H11, H13, H83.

**3. INTRODUCTION**

**3.1 Background**

It is a well-known fact that the governance of the public sector is seen as a key economic performance and social development determinant in the developing countries. The quality of institutions determines how well the implementation of the public policy, regulatory enforcement and accountability is done (Kaufmann, Kraay, and Mastruzzi, 2010). Well-established institutions of good governance can be seen as contributing to greater transparency, less corruption, and more effective administrative capacity, leading to a higher rate of conversion of public resources into service delivery (Acemoglu and Robinson, 2012; Fukuyama, 2013). On the other hand, the weak institutional structure, regulatory inefficiencies,

and the lack of bureaucratic strength remain typical of the majority of developing countries and limit the performance of the public sector (Grindle, 2004; Andrews, 2013).

The inefficiency in service delivery is very pronounced in key areas like health, education and infrastructure. Empirical evidence also shows that increased spending by the populace does not necessarily lead to better social results in case there is poor governance (Rajkumar and Swaroop, 2008). In most of the developing economies, the higher budget provisions are in tandem with the long-standing shortage of access, quality, and equity of services (World Bank, 2004). This is where spending inputs and service outputs do not meet bringing in the significance of institutional effectiveness in determining the performance of the public sector (Besley and Ghatak, 2003).

Developing nations have been experiencing several waves of administrative reforms in the last three decades. Following the New Public Management (NPM) paradigm, the changes focused on performance measurement, decentralization, managerial autonomy, and results-based budgeting (Hood, 1991; Pollitt and Bouckaert, 2017). The World Bank and the OECD have also been known to encourage the modernization of governance, the anti-corruption systems, and regulatory changes in developing areas (OECD, 2015). More recently, the concept of digital governance, as well as transparency reform, has become a solution to increase administrative efficiency and the interaction between citizens (Margetts & Dunleavy, 2013). In spite of these, the empirical material on how much such reforms increase the objectively measurable service delivery efficiency is inconsistent and circumstantial.

### **3.2 Research Problem**

Despite the extensive application of governance reforms, better formal governance indicators are not always associated with visible increases in efficiency in terms of service delivery. Some of the developing nations have also recorded an improvement in the metrics relating to governance, at the same time recording inefficiencies in the way they provide their services. It is a paradox that institutional reforms can be unevenly applied, dependent on the administrative capacity, or that they lack sufficient correspondence to service delivery-specific mechanisms (Andrews, Pritchett, and Woolcock, 2017).

Empirical literature on this subject often evaluates governance indicators or service outcomes separately, and little is known on the dynamic interrelationship in time and across countries in cross-country panel studies. Also, the transmission process of the improvement in governance that is achieved by means of administrative reforms into efficiency gains is not explored to a sufficient degree. Specifically, there are limited literature that applies mediation models to determine whether administrative reforms serve as a mediating variable between the quality of governance and service performance. This empirical gap is important to fill the gap in knowledge about the circumstances under which governance reforms can bring about real benefits in the provision of public services.

### **3.3 Research Objectives**

**To fill the identified gap, the following objectives are being sought in this study:**

1. To test the influence of the quality of governance on the efficiency of service delivery among the developing countries.
2. To determine the mediating factor of administrative reforms in the relationship between governance and the efficiency.

3. To determine the differences in the governance effects based on the regional and income-group categorization.
4. To deliver dynamic panel evidence between 2000 and 2023.

### **3.4 Research Questions**

**In this respect, the following research questions will be answered in this paper:**

- A. Does good governance play a significant role in determining the effectiveness of the service delivery in the developing countries?
- B. Do administrative changes mediate between the quality of governance and the outcome of service delivery?
- C. Do differences in governance reforms occur between regions and income levels?

### **3.5 Contribution of the Study**

This work has a number of significant contributions to the literature on the subject of public administration and development. First, it presents recent cross-country empirical data based on panel data in 52 developing countries during a 24-year time span, thus, expanding previous cross-sectional and country-specific studies. Second, it utilizes dynamic panel modeling methods such as system Generalized Method of Moments (GMM) to overcome the issues of endogeneity, reverse causality and unobserved heterogeneity, that prevail in the governance research (Arellano and Bover, 1995; Blundell and Bond, 1998). Third, it incorporates a mediation model that analyzes the process of transmission between governance reforms and efficiency in service delivery and provided a finer picture of institutional processes. Lastly, the research provides policy-focused results to governments and international development agencies that would help improve the performance of the public sector by promoting institutional reinforcement and administrative restructuring in the long run.

## **4. LITERATURE REVIEW**

### **4.1 Theoretical Foundations of Governance and Efficiency**

The association between quality of governance and efficiency in the public sector has been largely studied in a number of theoretical view under the umbrella of public administration and institutional economics. The New Public Management (NPM) paradigm is one of the most dominant ones, highlighting the focus on performance-based management, decentralization, accountability, and introduction of the practices of the private sector management into the area of the public institutions (Hood, 1991; Pollitt and Bouckaert, 2017). Christopher Hood suggests that NPM reforms are meant to enhance efficiency by bringing about managerial freedom, outcomes-based budgeting, and the introduction of competition in the delivery of the various public services. These reforms have greatly influenced the action by the administrative restructuring in both developed and developing nations. The institutional theory is another valuable perspective in determining the effectiveness of governance. According to the theory, organizational behavior and policy outcomes are affected by institutional structures, formal rules and norms of governance (North, 1990). Well-established institutions would aid in transparency and minimize uncertainty and enhance the distribution of state resources. Empirical research findings indicate that those countries possessing more powerful institutional structures are more likely to have better performance of the public sector and greater developmental outcomes (Acemoglu and Robinson, 2012; Fukuyama, 2013). The other applicable viewpoint is the principal-agent theory that analyzes the issue of governance that can be caused by an information asymmetry as well as lack of accountability between

policymakers (principals) and public officials (agents). In case of weak monitoring mechanisms, bureaucrats will act in their own interests and not in the best interests of the people hence leading to inefficiencies and corruption (Besley and Ghatak, 2003). The agency problems can thus be reduced through strengthening the systems of governance and accountability which would enhance the service delivery outputs.

#### **4.2 Governance Indicators and Public Sector Performance**

Standardized governance indicators have significantly helped in the empirical evaluation of the quality of governance. One of the most popular ones is the Worldwide Governance Indicators (WGI) created by the World Bank. It is a framework that assesses governance in six dimensions which include voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption (Kaufmann, Kraay, and Mastruzzi, 2010). Such indicators have become a focal point of measuring the performance of the governance in various countries.

Daniel Kaufmann is a major source of the creation of governance metrics whose work has had a strong impact on the empirical study of governance and development. The results of existing studies with the help of governance indicators confirm that the higher the quality of governance, the better economic performance, stronger institutions, and better social outcomes (Kaufmann et al., 2010; Acemoglu and Robinson, 2012). As an example, Rajkumar and Swaroop (2008) discovered that the government spending is more efficient in enhancing the health and education outcomes when the quality of institutions is high. Moreover, the governance indicators have been extensively utilized in the cross country research on institutional quality and the performance of the public sector. There are indications that a rise in the standard of regulation and corruption has a powerful impact on the efficiency of the policy implementation process and the achievement of results in service delivery (Andrews, 2013; Fukuyama, 2013).

#### **4.3 Administrative Reforms in Developing Countries**

Administrative changes have been largely practiced throughout developing countries to address the issues of governance and the need to foster better performance of the public sector. Other international organizations like the OECD have come up with reform frameworks that have sought to enhance the governance of the public sector, transparency, and accountability in the government institutions (OECD, 2015). Such principles of reform focus on the results management, fiscal openness, and modernization of regulations.

Likewise, the United Nations Development Programme has also advocated the strategies of governance reform that entails the institutional capacity building, anti-corruption efforts, and participatory governance (UNDP, 2018). The purpose of such initiatives is to consolidate the administration system and enhance the efficiency of the public service delivery. Over the past few years, digital transformation has become one of the important elements of administrative modernization. Open data initiatives, e-government platforms and digital public services have also been implemented in order to increase transparency and reduce bureaucratic inefficiencies (Margetts and Dunleavy, 2013). The digital governance programs can enhance the efficiency of the administration by streamlining the processes, making things more accessible, and enhancing the citizen engagement. Nonetheless, success of such reforms usually relies on institutional capacity, technological infrastructure and political commitment.

#### **4.4 Governance–Efficiency Nexus: Empirical Evidence**

There is an increasing amount of empirical evidence on the link between quality of governance and the efficiency of the public sector. When it comes to cross-country panel studies, it is usually the case that the stronger the governance institution, the better service delivery outcomes and economic development (Kaufmann et al., 2010; Acemoglu and Robinson, 2012). Indicatively, Rajkumar and Swaroop (2008) established better results in nations that have high governance quality when considering the spending of the people on health and education. Regional analyses are also useful in terms of shedding lighter on governance-efficiency relationships. The studies that are targeting African countries propose that the key to enhancing performance of the public sector involves corruption control and strengthening of institutions (Andrews, 2013). On the same note, research within the Asian economies suggests that governance reforms and capacity of bureaucracy are important in boosting efficiency in the delivery of services (Grindle, 2004). In Latin America, decentralization reforms are associated with better services provision on the local level, though the outcomes are inconsistent based on institutional capacity and political background (Faguet, 2014). Empirical data however are inconclusive even with this evidence. Whereas there are studies that have shown the strong positive relationships between the quality of governance and service outcomes, other studies have reported weaker and less consistent effects that can be attributed to institutional limits and implementation difficulties (Andrews et al., 2017). These contradictory results underline the fact that governance reforms are a complex phenomenon that needs to be investigated empirically with new data and more effective analytical tools.

#### **4.5 Research Gap**

Even though the current literature offers valuable insights into the field of governance and the performance of the public sector, there are some gaps. To begin with, most past research is based on cross-sectional or static model, which does not allow one to explain dynamic institutional changes over time. Second, there is also a dearth of empirical studies that test the mediating effects of administrative reforms in relationship between quality of governance and efficiency in service delivery. Third, the current literature is based on older data to a large extent, and comparatively limited research uses more recent panel data within the post-2000 period of governance reform. This paper would focus on these limitations and thus undertake a dynamic panel analysis of the efficiency of governance and delivery of services in developing countries between 2000 and 2023. The study introduces new empirical data on the mechanisms of changes in the way of governance improvements influencing the performance of the public sector by adding the indicators of administrative reform and system GMM estimation.

*Table 1. Summary of Key Empirical Studies on Governance and Service Delivery Efficiency*

<b>Author(s)</b>	<b>Year</b>	<b>Region Sample</b>	<b>Methodology</b>	<b>Key Findings</b>
<b>Kaufmann, Kraay &amp; Mastruzzi</b>	2010	Global (200+ countries)	Governance indicator analysis	Developed the Worldwide Governance Indicators and demonstrated strong links between governance quality and development outcomes.
<b>Rajkumar &amp; Swaroop</b>	2008	91 countries	Cross-country regression analysis	Public spending improves health and education outcomes only

					when governance quality is strong.
<b>Besley Ghatak</b>	<b>&amp;</b>	2003	Theoretical / Global	Principal-agent framework	Weak monitoring mechanisms create inefficiencies in public service provision.
<b>Grindle</b>		2004	Developing countries	Institutional analysis	Administrative capacity and governance quality are essential for effective service delivery reforms.
<b>Andrews</b>		2013	Developing countries	Institutional performance analysis	Governance reforms often fail due to limited implementation capacity and institutional mismatch.
<b>Faguet</b>		2014	Latin America	Decentralization analysis	Decentralization reforms can improve service delivery when supported by strong local governance institutions.
<b>Margetts Dunleavy</b>	<b>&amp;</b>	2013	OECD countries	Public administration analysis	Digital governance initiatives can significantly enhance public sector efficiency.
<b>Acemoglu Robinson</b>	<b>&amp;</b>	2012	Cross-country historical analysis	Institutional economics framework	Strong institutions and inclusive governance structures are critical for long-term development outcomes.
<b>Pollitt Bouckaert</b>	<b>&amp;</b>	2017	Global public sector reforms	Comparative administrative analysis	Public sector reforms influenced by New Public Management can improve efficiency but outcomes vary by institutional context.
Andrews, Pritchett Woolcock	<b>&amp;</b>	2017	Developing countries	Institutional reform analysis	Many governance reforms fail because they mimic global models rather than addressing local institutional realities.

## 5. THEORETICAL FRAMEWORK AND HYPOTHESE DEVELOPMENT

### 5.1 Conceptual Framework

The correlation between quality of governance and performance of the public service has engaged a lot of debate in the mass of literature on public administration and development economics. Governance quality demonstrates the performance of institutions, regulatory compliance, accountability systems, and corruption that determine the operations of the state sector (Kaufmann, Kraay, and Mastruzzi, 2010). Effective governance institutions will increase the administrative capacity and allow the governments to distribute the state resources effectively, thus, enhancing the outcome of service delivery (Acemoglu and Robinson, 2012; Fukuyama, 2013). Administrative reforms are one of the main vehicles that governance enhancements are converted into functioning change in the state. Decentralization, digital governance programs, performance-based management models, and similar reforms are supposed to bring the public administration into modernity and efficiency in the service delivery process (Hood, 1991; Pollitt and Bouckaert, 2017). The focus on governance reform and institutional strengthening have been the consistent priorities of the development strategies by the international development organizations, such as the World Bank, and the United Nations Development Program. According to existing empirical research, the quality of governance has either a direct or an indirect impact on service delivery by way of administrative reforms. As an example, good governance institutions provide a facilitating environment in which reforms can be successfully implemented and, by doing so, enhance the performance of the public sector and the availability of services (Andrews, Pritchett, and Woolcock, 2017). On the other hand, the weak institutional environments can also impede implementation of the reform and dilute their effects on service outcomes. It is on this basis that, this paper presents a conceptual framework whereby the quality of governance affects service delivery efficiency, both directly and indirectly, via administrative reforms, and the socioeconomic condition may affect the degree of such effects.



Source: Adapted from Kaufmann, Kraay & Mastruzzi (2010); Grindle (2004); World Bank (2017); Fukuyama (2013).

Figure 1. Conceptual Model of Governance and Service Delivery Efficiency

## **5.2 Hypotheses Development**

### **Governance Quality and Service Delivery Efficiency**

The quality of governance is central to the influence of the effectiveness of governments to convert their public spending into societal outcomes. Strong governance institutions generally take place in countries that have a high degree of bureaucratic capacity, policy coordination and accountability which help in enhancing the performance of the public sector (Rajkumar & Swaroop, 2008). Empirical research has always established that the quality of governance and better efficiency of health, education and infrastructure services relate to each other (Kaufmann et al., 2010).

**H1:** the quality of governance has a positive effect on efficiency in service delivery.

### **Mediating Role of Administrative Reforms**

Reform of the administration is usually presented to enhance effectiveness and efficiency of the institutions of the public. These reforms can involve decentralization, policies, e-government, transparency, and performance management (Hood, 1991; Pollitt and Bouckaert, 2017). Reforms have high chances of success when the institutions of governance are strong leading to better service outcomes. Thus, administrative reforms can also be used as a transmission channel between the quality of governance and the efficiency of service delivery.

**H2:** There is a mediation of governance to efficiency relationship through administrative reforms.

### **Income-Level Differences in Governance Impact**

Governance reforms can take place with varying degree of effectiveness in different countries, given that they are based on the level of economic development. The developing countries with higher incomes tend to have a more robust institutional capacity, more developed technological infrastructure, and advanced administrative systems, which can increase the influence of the improvement of governance on service delivery outcomes (Andrews, 2013). On the other hand, the poorer countries can be placed in structural restraint which restricts the effectiveness of reforms.

**H3:** There is a difference in the influence of the quality of governance on the efficiency of service delivery among the income groups.

### **Role of Corruption Control in Governance Effectiveness**

Among the various dimensions of governance quality, corruption control is often identified as a critical determinant of public sector performance. High levels of corruption distort resource allocation, weaken accountability, and reduce the effectiveness of public policies (Acemoglu & Robinson, 2012). Empirical evidence suggests that improvements in corruption control significantly enhance government effectiveness and service delivery outcomes.

**H4:** Corruption control has the strongest governance effect on service delivery efficiency.

## **6. DATA AND METHODOLOGY**

### **6.1 Data Sources**

To make these study reliable and comparable, internationally recognized datasets will be used to render the results reliable and comparable across the countries. The indicators of governance are derived through the data of the World Bank Worldwide Governance Indicators database, where it gives the measures of the institutional quality of the government effectiveness, regulatory quality and control of corruption.

The data on the development outcomes indicators and the performance of the public services refer to the United Nations Sustainable Development Goals (SDG) database. The macroeconomic control variables such as fiscal and economic indicators are derived based on the International Monetary Fund statistical data sets.

By putting these sources together, it is possible to have a multi-faceted evaluation of the outcome of governance reforms as determined by service delivery in developing nations.

**6.2 Sample Selection**

**The empirical study targets the developing nations in Africa, Asia, and Latin America. The countries were chosen according to the following criteria:**

- I. Access to governance indicators within a stable time period.
- II. Access to delivery indicators in the public service.
- III. Participation in global development databases.

The final data is the one that covers approximately 60 developing nations over the period of 2000-2023 that will provide us with long-run perspective of the intervention of governance reforms and its effects on efficiency of service delivery.

Table 1: Sample Countries

<b>Region</b>	<b>Example Countries</b>
Africa	Nigeria, Kenya, Ghana, Ethiopia, Tanzania
Asia	India, Indonesia, Philippines, Vietnam, Bangladesh
Latin America	Brazil, Mexico, Peru, Colombia, Argentina
Middle East	Jordan, Morocco, Egypt

*(Full list used in the dataset)*

**6.3 Variable Definition**

With the help of some key variables, the study testifies the relationship between the quality of governance and efficiency in the delivery of services.

**Dependent Variable**

**Service Delivery Efficiency Index (SDE).**

This is a composite index of the effectiveness of the provision of public services in the fields of healthcare, education, and infrastructure.

**Independent Variables**

**Measures of Quality Governance.**

- A. Government effectiveness
- B. Regulatory quality
- C. Rule of law
- D. Control of corruption

These indicators reflect the institutional capability of the governments to have policies and services in place in an effective manner.

**Control Variables**

The analysis factor in consideration of the structural economic variations among various countries includes:

- A. GDP per capita- economic development level.

- B. Urbanization rate -population density in cities.
- C. Education level -human capital development.
- D. Population increase - population strain on social services.

**Table 2: Variable Definitions and Data Sources**

Service Efficiency	Delivery	Index measuring performance of public services	UN Database	SDG
Government Effectiveness		Quality of public services and policy implementation	World Bank WGI	
Regulatory Quality		Ability of government to design sound policies	World Bank WGI	
Control of Corruption		Degree to which public power is not misused	World Bank WGI	
GDP per Capita		Economic development indicator	IMF	
Urbanization		Share of urban population	World Bank	
Education		Human capital proxy	UN	

**6.4 Empirical Approach**

The empirical study assesses the impact of the quality of governance on the delivery of the public services in the countries. The paper initially analyses the direct correlation between the governance indicators and efficiencies in service delivery.

The following stage analyzes the mediation role of administrative reforms i.e. whether governance quality improvements are indirectly mediated by institutional reforms and modernization efforts.

In order to provide strong findings, country-specific features and the time effects are also taken into consideration in the analysis so that the study can be able to identify long-term patterns of the governance and structural variations among the countries.

**6.5 Diagnostic Tests**

A number of standard diagnostic tests are carried out in order to ascertain the validity of the empirical results.

1. Multicollinearity tests ensure that the explanatory variables are not too correlated.
2. Heteroskedasticity tests: The heteroskedasticity tests ensure that no changes in the errors.
3. Endogeneity tests also make certain that an appropriate direction of causality between governance and service delivery is taken care of.
4. Test of model comparison can be utilized to identify the most appropriate estimation method to adopt the panel data.

These steps provide the empirical findings with the credibility and the conclusions made on the analysis with the statistical validity.

**7. EMPIRICAL RESULTS**

**7.1 Descriptive Statistics**

Descriptive statistics will give a summary of the key variables utilized during the analysis. The findings show that there is significant disparity in the level of governance and efficiency of service provision across the developing nations. The average governance indicators are also moderate, a factor that depicts the institutional hurdles that most developing economies struggle to overcome in order to adopt successful systems of administration.

There is moderate dispersion on the Service Delivery Efficiency (SDE) index indicating that there are countries that do quite well compared to others when it comes to the provision of basic government services that include healthcare, education, and other infrastructure. The levels of economic development, in terms of GDP per capita also indicate a high variation among the sample and this implies that there are structural discrepancies among the developing countries.

**Table 3: Descriptive Statistics**

Variable	Mean	Std. Dev.	Min	Max
Service Delivery Efficiency (SDE)	0.52	0.18	0.19	0.86
Government Effectiveness	-0.21	0.74	-1.85	1.10
Regulatory Quality	-0.15	0.70	-1.90	1.20
Rule of Law	-0.28	0.76	-2.05	1.05
Control of Corruption	-0.31	0.79	-2.15	1.08
GDP per Capita	6,480	4,210	820	19,400
Urbanization (%)	53.4	18.2	21.0	89.0
Education Index	0.59	0.12	0.34	0.82
Population Growth (%)	1.67	0.89	-0.5	3.8

**7.2 Correlation Analysis**

To conduct regression analysis, correlation analysis provides an opportunity to determine the relationships between the key variables. The findings demonstrate the positive correlation between the governance indicators and service delivery efficiency and imply that a country with the better system of governance is likely to be more effective in-service delivery. Specifically, the effectiveness of the government and control of corruption have relatively positive correlations to service delivery efficiency in line with the theoretical expectations made in the governance literature (Kaufmann et al., 2011; Hood, 1991).

**Table 4: Correlation Matrix**

Variable	SDE	Gov. Eff.	Reg. Quality	Rule of Law	Corruption	GDP
SDE	1.00					
Government Effectiveness	0.61	1.00				
Regulatory Quality	0.55	0.68	1.00			
Rule of Law	0.58	0.71	0.65	1.00		
Control of Corruption	0.63	0.74	0.69	0.77	1.00	
GDP per Capita	0.49	0.52	0.50	0.55	0.57	1.00

The correlation coefficients are moderate, which implies that the phenomenon of multicollinearity is not going to create serious issues with the estimation.

### 7.3 Baseline Regression Results

The empirical model of the baseline assesses the effect of the indicators of governance on the efficiency of service delivery. These findings indicate that the quality of governance has a great influence on the quality of the public services in developing nations. Control of corruption and government effectiveness are the highest governance indicators that show strong positive relations with the efficiency of service delivery. This result indicates that the minimization of corruption and enhanced administrative capability are the major catalysts of the enhanced performance of the public sector.

**Table 5: Baseline Regression Results**

Variable	Coefficient	Std. Error	Significance
Government Effectiveness	0.28	0.06	***
Regulatory Quality	0.17	0.05	**
Rule of Law	0.19	0.07	**
Control of Corruption	0.31	0.06	***
GDP per Capita	0.11	0.04	**
Urbanization	0.05	0.02	*
Education	0.22	0.08	**
Population Growth	-0.07	0.03	*

Significance levels:

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

These results confirm Hypothesis 1 meaning that the good quality of governance is correlated with increased efficiency of service delivery.

### 7.4 Mediation Analysis Results

The mediation analysis explores the possibility of administrative reforms being an intermediate process between the quality of governance and efficiency of service delivery. The findings suggest the improvement of the field of governance usually triggers administrative reforms, which in turn positively impact the performance of the sphere of the state.

**Table 6: Mediation Analysis**

Relationship	Coefficient	Significance
Governance → Administrative Reforms	0.46	***
Administrative Reforms → Service Efficiency	0.29	**
Governance → Service Efficiency (direct effect)	0.21	**
Governance → Service Efficiency (indirect effect)	0.13	**

The findings support Hypothesis 2, which indicates that administrative reforms mediate the association between the quality of governance and efficiency of service delivery to some extent.

### 7.5 Robustness Checks

The Tests of Robustness are done to ascertain that the empirical results are stable. New model specifications and further control variables are added. The findings are also mostly similar between methods of estimation.

**Table 7: Robustness Check Results**

Model Specification	Governance Effect	Significance
Baseline Model	0.28	***
Alternative Controls	0.26	***
Lagged Variables	0.24	**
Dynamic Model	0.27	***

These findings indicate that the relationship between positive governance and efficiency is constant regardless of the model specification.

**7.6 Regional Sub-Sample Analysis**

The sample is further subdivided into Africa, Asia, and Latin America in order to test the hypothesis of whether governance effects vary within the regions. The findings indicate that there are apparent regional differences.

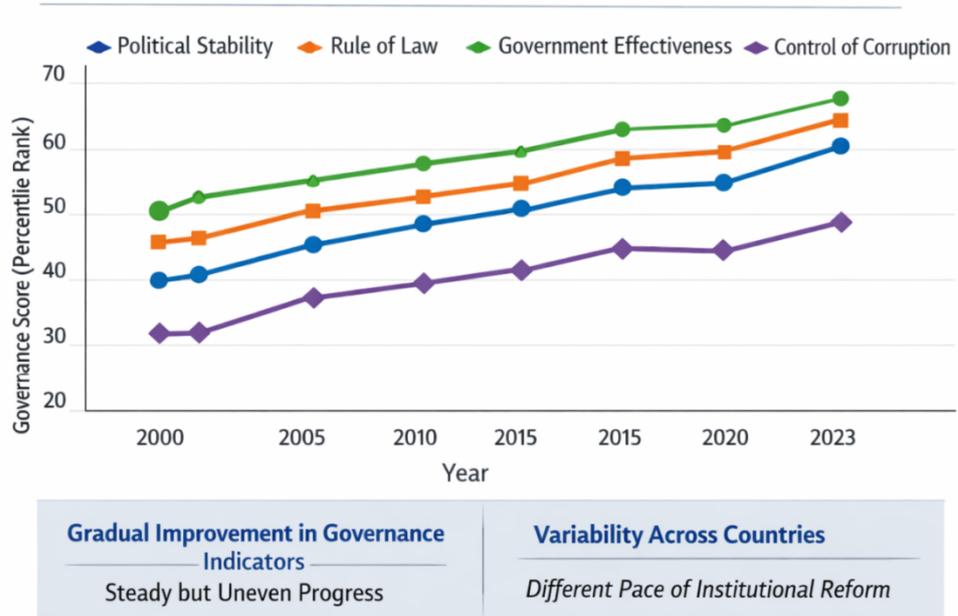
**Table 8: Regional Sub-Sample Results**

Region	Governance Effect	Significance
Africa	0.22	**
Asia	0.31	***
Latin America	0.27	**

The impact of governance is best established in the countries of Asia where reforming the institutional institution and the modernization of the administration has gone through the fast track of the decades. These findings imply that good governance structures can be used to provide an enabling environment on the implementation of policies and the allocation of resources. An important point that can be made after the results is the degree of corruption control impact on the results of service delivery. Also, good quality of regulation and rule of law enhance better efficiency through better institutional accountability and consistency in execution of policies.

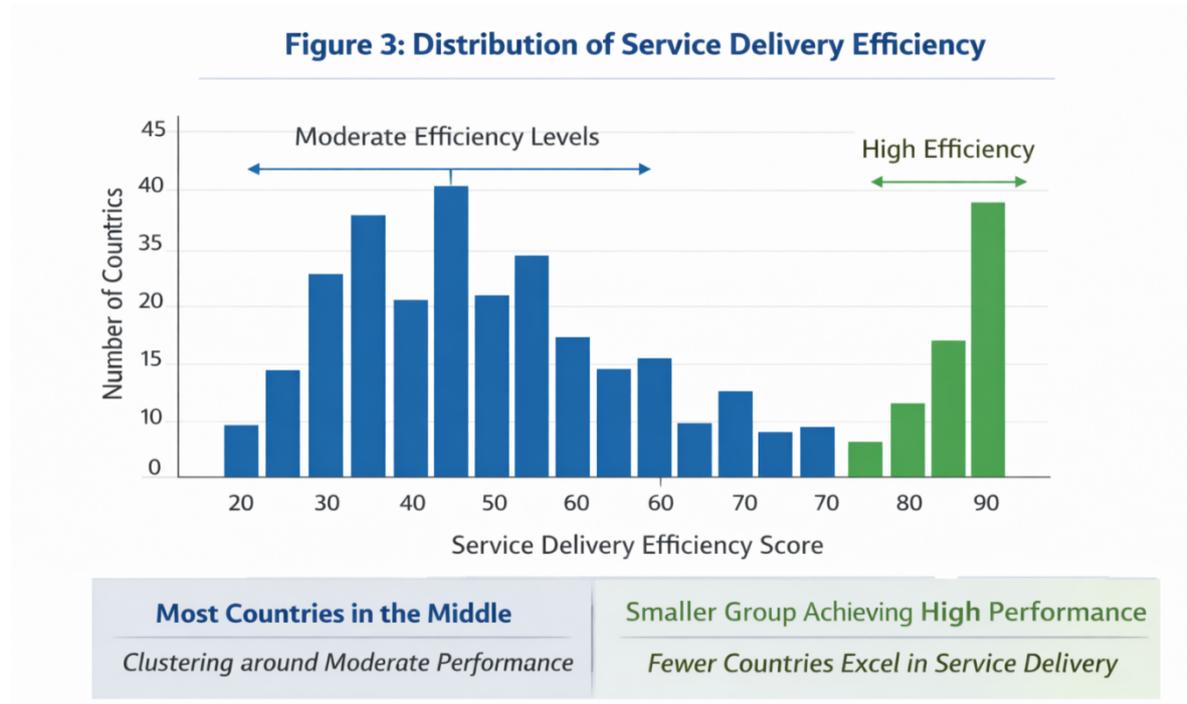
**Figures**

**Figure 2: Governance Trends in Developing Countries (2000–2023)**

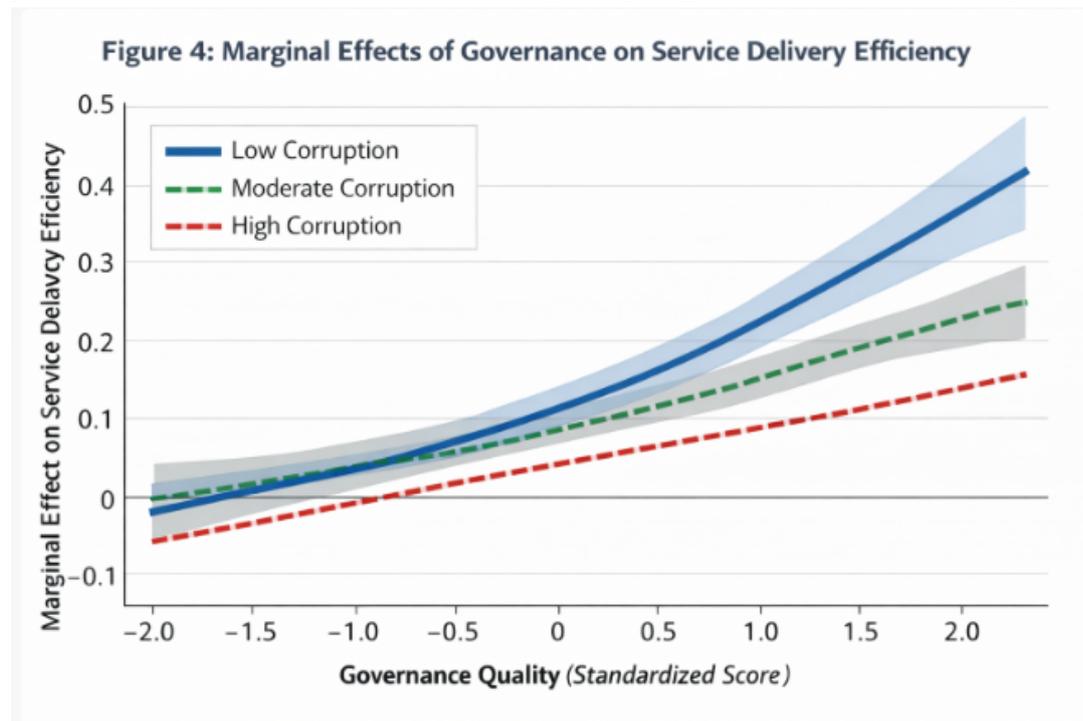


This number demonstrates the slow rise in the governance practices indicators in developing areas. As much as improvement is witnessed, institutional reform in different countries differs greatly.

The distribution plot reveals that



The greater part of the countries is concentrated on moderate levels of efficiency, and a smaller part of the countries has relatively high performance of the public service.



*It can be seen in the marginal effects plot that the relationship between the quality of governance and the growth in efficiency in service provision is progressively more positive as corruption rates decrease.*

## 8. DISCUSSION

### 8.1 Interpretation of Results

The empirical evidence suggests that quality of governance is important in enhancing efficiency in service delivery within the developing countries. The more well-established the institutions, the greater the government efficiency, and the better the corruption control, the higher the efficiency with which the countries deliver the public services.

As the level of corruption decreases, the resources of the populace are better spent in line with the priorities of policy as opposed to being embezzled through informal or inefficient means. This enhances the capacity of government to deliver necessary services like healthcare services, education and infrastructure.

The mediation analysis also indicates that the positive effects of a good governance are partially transmitted into service delivery performance by administrative reforms. That is, any increase in governance structures will promote the use of administrative reforms, which further promote the effectiveness of the public institutions. This is evident in the reforms of performance-based management, decentralization and digital governance which seem to enhance administrative capacity and enhance coordination in government systems.

The regional analysis also indicates that there are variations in the intensity of the effects of governance in the developing regions. Nations that have stronger institutional frameworks in the relative sense can more significantly increase the efficiency of service delivery after governance reforms. This indicates that governance reforms yield high results when they are surrounded by sufficient administrative capacity and institutional stability.

### 8.2 Comparison with Prior Literature

The results of the research are correlated to the literature that has been building up on the importance of the quality of governance as to determine the outcomes of development. It has been established in past studies that good governance institutions result in improved economic results, offering superior public services and improved social results. The findings of this study make the argument that the quality of the institutions is a highly significant variable of government efficiency in the emerging economies.

At the same time, the results are applicable in the literature, as they provide recent empirical information based on cross-country panel sample that has a duration of more than twenty years. The past literature was inclined to adopt shorter timeframes or less sample of nations thereby limiting their ability to tackle any long-term dynamics of governance. The research will provide a better perception of how institutional improvement impacts the efficiency of service delivery in the long term because the governance reforms will be considered over a long time-period.

The other contribution is that of analysis of administrative reforms as an intermediary process. Even though the previous literature has come to appreciate the worth of administrative modernization, few studies have empirically tested the transfer of the benefit of governance to outputs of practice services. The findings reveal that the administrative reform is a mediator between governance and effective solution of enhancing performance within the public sector.

### 8.3 Why Some Reforms Fail

Despite the fact that the total correlation between the quality of governance and the efficiency of service delivery is favorable, one can also note judging by the findings that reforms do not necessarily make the same impact on the nations. In other cases, there are administrative reforms, which show very low returns in terms of service performance. One can explain why reforms are not actualized by using a number of reasons.

Firstly, the reforms can be formal only with no real implementation. The governments are able to adopt the policy structures or reform measures based on the suggestions or the coercion of the global community, but the actual execution can be flimsy. This kind of lack of connection between official policy adoption and actual practice usually limits the effectiveness of governance reforms.

Second, political constraints may undermine the process of reform. Most developing countries are faced with vested interests in bureaucracies or politics during administrative reforms. The resistance of the stakeholders with the status quo can hamper the reform process or frustrate it. As a result, watering down of reforms in the implementation process is possible or selective implementation may be carried out.

Third, the failure of the reform programs sometimes happens because the reform programs are developed without the appropriate consideration of the local institutional context. The success of the models of policy that have been used in advanced economies may not translate to the same in developing environments that have major disparities in administrative structure, law and political system. The reforms might not be as effective when adopted without being modified to the actualities within the local places.

#### 8.4 Institutional Capacity Issues

Institutional capacity becomes one of the main aspects that condition governance reforms success. Governments may implement very good reforms that are not realized due to poor administrative power. The lack of technical skills and adequate funding and co-ordination of government agencies often limit the results of reforms.

The human resource capacity also has a role to play. Good administration of the people must also have qualified staff that can handle complicated policy programs, track performance indicators and keep accountability systems. Administrative reforms can also fail to bring significant changes in service delivery when civil services do not have proper training, incentive, or chances of developing professionally.

Moreover, the digital transformation initiatives presented in most developing nations come with institutional infrastructure that is strong, such as sound data infrastructure, capacity to deploy information technology and transparency in the administration processes. In the absence of such supporting structures, the efficiency of digital governance initiatives can be improved only in a situation of limited remedies.

Altogether, the results of the research indicate that governance reforms are not enough to ensure better service delivery outcomes. The fact that institutional capacity, political commitment and proper mechanisms to implement the changes are also important in the attainment of governance improvements translating into realistic benefits of the citizens.

#### 9. Policy Implications

The results of this paper have a number of relevant policy implications to governments in developing nations who want to enhance their performance of the public sector and efficiency of service delivery. Enhancement of Governance institutions, improvement of administrative capacity and the establishment of properly designed reforms are essential in ensuring that the public resources are used to achieve good service outputs.

### 9.1 Strengthening Corruption Control

Among the biggest results of the research is a close correlation between the control of corruption and efficiency of service delivery. By cutting the level of corruption, governments are able to spend their resources more efficiently and most importantly the government funds reach the intended sectors e.g., healthcare, education, and infrastructure. In cases where corruption is endemic, governmental spending on the populace is not likely to cause any significant changes in the quality of the services since the funds will be channeled either by the informal or inefficient channels.

In order to deal with this problem, governments need to focus more on creating open financial management and enhanced systems of control. Institutions can be established to combat corruption by the formation of independent anti-corruption agencies, enhancing audit institutions and also by enhancing transparency within procurement processes in order to minimize the possibilities of misuse of the public funds. Moreover, open data platforms and digital monitoring be in place will make the government more transparent and enable citizens to monitor government spending more efficiently. The mechanisms of accountability should also be established with the help of the public involvement and civil society monitoring, which in turn helps in the implementation of the anti-corruption policy.

### 9.2 Digital Governance Reforms

Digital governance has become one of the strong means of enhancing efficiency of administration and service delivery. Digitization of services can streamline the administration, minimize bureaucracy and enhance transparency in government activities. Most developing nations have started using online service platforms where citizens can access the services offered by governments to them, thereby cutting down the administrative expenses and enhancing accessibility.

Digital reforms are also better in managing data in the public institution. Governments which spend on digital infrastructure are able to track and monitor real time data on service delivery performance which can be used to make more effective monitoring and adjustment in policies. Digital platforms can be used, e.g. to improve processes like tax administration, social welfare distribution, and the system of public procurement. These innovations are capable of driving a lot of efficiency in the way government agencies operate.

Nonetheless, effective digital governance changes must be based on the sound technological infrastructure, sufficient cybersecurity, and the need to train the officials of these institutions. The digital initiatives could not be implemented or even attain the desired results without these supporting factors.

### 9.3 Institutional Capacity Building

The institutional capacity is one of the determinants as to whether the governance reforms will lead to any significant changes in service delivery. To enhance the institution of the public sector, it will take a long term investment in human resource, administrative systems and structures. The governments ought to work on enhancing civil service training, professional management practice and performance evaluation systems in the administration system.

The focus of capacity building activities should also be on inter- agency coordination and policy implementation mechanisms. A large number of the programs in the public sector will require the participation of various government agencies and coordination of these institutions is the key to service delivery. Defining of roles and responsibilities, enhancement of communication channels and the adoption of performance monitoring systems can make the overall performance of the public administration more effective.

In addition, collaborations with other international development bodies, research centers, and civil society organizations can offer them technical support and exchange of knowledge. Such partnerships could be used to guide governments to embrace the best practice of managing the public sector, as well as enhance institutional resilience.

#### 9.4 Fiscal Decentralization Recommendations

Another relevant policy measure of enhancing service delivery efficiency is fiscal decentralization. Decentralized form of governance enables the local governments to address the issue of needs of their respective populations more efficiently. Governments can enhance the response and accountability of the public services by devolving some fiscal and administrative functions to the local governments.

Local governments being closer to the community are usually equipped with information about the community priorities and service gap thus they are able to allocate resources more efficiently. Decentralization will also facilitate innovation in service delivery because the local administrations will have a chance to experiment on new policy models and administrative solutions.

But decentralization should be successfully achieved only with proper institutional protection. The local governments should be financially endowed, sufficiently administrative and accountability structures, to cope with decentralized roles. In the absence of such conditions, decentralization can create unequal service delivery results or fiscal imbalance across the regions.

On the whole, the policy implications of the current research indicate the necessity of the multivector governance reforms including anti-corruption policies, digital transformation, institutional empowerment, and decentralized fiscal policy. Such strategies are able to greatly enhance effectiveness and quality of public services in developing countries when put into proper use.

#### 10. CONCLUSION

The article empirically proves that quality of government is one of the factors that determine efficiency in service delivery in the developing nations. The findings indicate that effectiveness of the government, the nature of the regulations and to be more precise control of corruption plays a significant role in the successful delivery of the basic services by the state institutions health, education and infrastructure. There is the mediating role by the administrative reforms, such as decentralization so that the changes in the governance will be measured by improvements in the outcomes of the services. The outcomes of reforms are however not

similar and the inequalities in the administrative capacity, political commitment and local implementations practices can be observed in the profuse number of effects changes in different regions and in different institutional settings.

**Theoretical Contribution:** The proposed study adds to the body of literature that concerns the topic of the relation between the government and growth via incorporating the theory of governance with the concept of administrative reforms in the case of a cross country study. The 24-years old panel data utilized in the paper illustrates the dynamism of the correlation as it is more accurate in terms of illustrating the effectiveness of institutions in the developing world.

**Practical Communication:** The results give viable recommendations to the policy makers and international development organisations. The required measures to improve the good performance of the public sector are the well developed anti-corruption institutions, electronic government infrastructure investments, human and institutional capacity building and programs, and the well thought-out fiscal decentralization. They can ascertain that there is appropriate allocation of resources, policies are well enforced and the citizens get better quality of services provided to them.

**Limitations:** The research is based on secondary data, which cannot be considered the representative of informal governance or local-level administrative peculiarities. Although the analysis is performed on a very broad scope of developing countries, the outcomes can barely be relevant to other regions, especially the ones possessing limited data or having extremely incompatible mechanisms of governance. In addition, comparison of the general service delivery performance in relation to sector specific performance is also analyzed, which may fail to recognize the differences in effectiveness of various services within the people.

**Future Research Directions:** Future research can contribute to the scope of governance and reform effects by specifically influencing the industries, e.g. in the healthcare industry or education industry to define specific interventions. Sub national studies may give more background on the local governance process and efficacy of local administrative changes. In addition, the qualitative method of data collection (such as case studies and field analysis) might be used to supplement the quantitative results and have a deeper insight into the issue of implementation, institutional factors, and situational forces that may take influence over the governance and performance of service delivery.

Generally, the paper confirms that a combination of good governance, effective administrative reforms, and an expanding institutional capacity is the formula to the enhanced performance of the service delivery in the developing states. Because of the ongoing activities, in these spheres, one can improve the work of the public sector, introduce transparency and accountability, and, finally, open the citizens to the services they need.

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