

**EXPLORING THE ROLE OF GOVERNANCE IN SUSTAINABLE  
DEVELOPMENT: A COMPARATIVE ANALYSIS OF DEVELOPED AND  
DEVELOPING NATIONS**

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**ABSTRACT**

The report compares governance and development performance in four nations—Sweden, Germany, Bangladesh, and Nigeria—representing high, medium, and low governance performance. Drawing on Institutional and Human Capital Theories, it analyzes the influence of the quality of governance on sustainable development, human capital creation, and the delivery of public services. Sweden and Germany, where institutions are robust and characterized by the rule of law, transparency, and minimal corruption, consistently score high in governance indices and development achievements like the HDI and SDG scores. Bangladesh and Nigeria, on the other hand, suffer from acute governance issues in terms of weak institutions, corruption, and inefficiencies, though Bangladesh indicates a turnaround through adaptive governance measures. The research draws upon quantitative evidence from credible international sources and qualitative analysis from policy reviews and institutional reports. The evidence shows a direct link between good governance and constructive development indicators, further supporting the view that sustainable progress is built on good governance. The study emphasizes the importance of country-specific reforms in developing countries and promotes pragmatic, incremental change over top-down institutional transplants.

**Keywords:**

Governance, Sustainable Development, Comparative Analysis, Developed Countries, Developing Countries, Public Policy, Institutional Capacity, Policy Implementation, Good Governance, Sustainable Development Goals (SDGs)

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**INTRODUCTION****Case Studies: Comparative Governance and Development Outcomes**

Numerous case studies have sought to compare systemic governance qualities across geographic and national lines for their impact on development outcomes. A recurrent observation made in the literature is that the countries with the strongest governance systems—characterized by transparency and accountability, as in the Nordic region—coexist with or tend to outperform those of weaker institutions, especially in countries in Sub-Saharan Africa. The studies illustrate how governance affects economic performance, public delivery systems, the formation of human capital, and environmental sustainability.

**Nordic Countries: Governance as a Catalyst for Sustainable Development**

The Nordic countries—specifically Sweden, Norway, and Denmark—often serve as world exemplars for good governance and sustainable development. Rothstein and Teorell (2008) maintain that a high-trust society has been built over decades of institutional development marked by impartial bureaucracies, the rule of law, and strong anti-corruption measures. Sweden's decision-making combines democratic, participatory elements with

technocratic efficiency, thus allowing it to realize inclusive and evidence-based policy considerations (Meuleman, 2018).

In a UNDP 2021 study, evidence was presented indicating the Nordic region ranks at the very top of the HDI, EPI, governance, the rule of law, and strong anti-corruption measures—namely, government effectiveness at all times.

### METHODOLOGY

This study employed a comparative case study method to analyze changes in governance quality as they relate to different outcomes for sustainable development. Comparative analysis is essential for intensive and in-depth examination of governance structure, developmental trajectories, and policy outcomes across countries. Thus, this study uses countries with good, average, and poor governance indicators to recognize patterns and causal relations between governance and multidimensional development measures. The countries of interest, Sweden, Germany, Bangladesh, and Nigeria, represent a spectrum of differences in governance performance as can be derived from representative internationally recognized indices. Sweden and Germany, for example, are portrayed as high-governance countries; Bangladesh is representative of the medium-governance context with significant development gains, while Nigeria is selected as a low-governance case, having continuous developmental challenges.

#### Case Selection Criteria

The countries were selected using a purposive sampling technique based on the following criteria.

The purposive sampling technique is the process of sampling where the researcher has no random selection among individuals or groups but rather a selection of the participants who the researcher thought might provide the most information related to the phenomenon under study.

**Governance Indicators:** Countries were ranked using the World Bank's Worldwide Governance Indicators (WGI). The researchers focused on six dimensions: voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption (World Bank, 2023).

**Development Outcomes:** Regarding human development levels, the researchers assessed them using the United Nations Development Programme's Human Development Index (HDI) and complementary indicators from the World Bank and the Progress Reports on Sustainable Development Goals (SDGs).

**Geographic and Economic Diversity:** This study includes developed and developing countries across different regions (Europe, South Asia, and Sub-Saharan Africa) to enhance generalizability and contextual understanding.

*Table 1: Approximate percentile rankings across all six WGI dimensions.*

Country	Governance Quality	Region	HDI (2022)	Composite Score (2023)*
Sweden	High	Europe (Nordic)	0.939	95th percentile
Germany	High	Europe (Western)	0.942	92nd percentile
Bangladesh	Medium	South Asia	0.661	40th percentile
Nigeria	Low	Sub-Saharan Africa	0.535	15th percentile

#### Data Collection

Theoretically, primary data was collected for this research study from all fronts internationally. Data were collected from various sources throughout their life cycle. The following primary sources of data are World Bank – Worldwide Governance Indicators (WGI), United Nations Development Program – Human Development Reports Sustainable Development Report (SDR), Transparency International – Corruption Perceptions Index, and the OECD and national statistical offices, and a few select policy think tanks. Qualitative data were also collected from case studies, country development reports, and governance assessments by Bertelsmann Stiftung, UNDP, and selected journals in development.

#### Analytical Framework

The study was conducted using a mixed-method interpretive framework of qualitative and quantitative comparison. Quantitative approach uses comparing metrics such as HDI, GDP PC, indices of education and health,

and governance scores were used to establish the correlation between governance quality and development outcomes. Qualitative approach uses thematic content analysis of governance-related policy reports, case studies, and institutional frameworks concerned with contextual aspects influencing governance effectiveness and its developmental outcomes.

### Limitations

While these comparative studies are rich in context, they do, however, have some limitations. These limitations are generalizability; results may not apply to other countries beyond the limited selection. Data limitations: each country will be affected by data availability and quality variances. Causation and Correlation: the study tries to identify correlations and associations, but causality cannot be firmly established without a longitudinal experimental study. Qualitative and quantitative data: data from independent organizations like the World Bank and UNDP formulate governance and development score assessments.

### Quantitative and Qualitative data

This part gives an empirical basis to the study in assessing the linkage between development outcomes and governance quality based on quantitative and qualitative indicators. To ensure dependability and comparability, data are drawn from internationally acclaimed institutions.

### Quantitative Data: Development and Governance Indicators

Governance and development performance measures across countries are assessed using standardized indicators from international organizations such as the UNDP, the World Bank, etc. The Worldwide Governance Indicators assess six governance aspects and are presented as percentile ranks

## REVIEW OF RELATED LITERATURE

The relationship between governance and development has been a subject of innumerable studies, with prominent theories, like institutional Theory and human capital theory, listed in researchers' analytical toolkits. They are appropriate when countries are contrasted with differing internal possibilities and external development consequences. This literature evaluation, therefore, applies the discussed theories to Sweden and Germany, two examples of developed countries with high-quality institutions, and Nigeria and Bangladesh, which represent developing nations facing ongoing governance and development challenges.

Institutional Theory expounds that development is deeply affected by the quality of political and economic institutions (North, 1990; Acemoglu & Robinson, 2012). Governance institutions in high-performing states like Sweden and Germany are marked by respect for the rule of law, transparency, low corruption, and high government effectiveness. Sweden and Germany rank among the world-assessed top countries for control of corruption and regulatory quality in the World Bank Worldwide Governance Indicator (2023).

For example, Sweden consistently incorporates environmental sustainability and social equity in its governance framework; thus, it has been a leader in several global indices, such as the Sustainable Development Report (Sachs et al., 2022). On the other hand, Germany benefits from its strong legal system and participatory democratic governance, ensuring inclusive policymaking processes.

The link between governance and development has been reviewed in the literature, which freely accommodates the likes of the Institutional Theory and Human Capital

Theory as relevant analytical lenses. These theories are in high demand for cross-country comparisons involving different governance capacities and developmental outcomes. In our literature review, we employed those theories on the cases of Sweden and Germany, developed countries that rank high regarding institutional quality, and Nigeria and Bangladesh, developing countries facing persistent governance and development problems.

The Institutional Theory posits that the quality of political and economic institutions assumes a key role in determining development outcomes (North, 1990; Acemoglu & Robinson, 2012). More importantly, governance institutions of well-performing states like Sweden and Germany are highly characterized by the rule of law, transparency, minimal corruption, and high government effectiveness. In terms of perception, the two countries have ranked highly in good governance, along with control of corruption and regulatory quality, with the World Bank Worldwide Governance Indicators of 2023.

Inclusion of environmental sustainability and social justice into the framework of governance has, over the years, enabled Sweden to lead some of the best globally in the Sustainable Development Report (Sachs et al., 2022). Likewise, Germany making mature judicial system and a participatory democratic system to impart decision-

making and policies in an inclusive manner. This process has ensured that interest groups in the general populace can make their opinions heard, thereby actively influencing the political agenda.

Conversely, institutional vulnerabilities in Bangladesh and Nigeria—e.g., weak enforcement of anti-corruption measures, political instability, and weak bureaucracy— have discouraged sustainable development. Nigeria's governance has regularly been compromised by rent-seeking, a fractured policy environment, and low public confidence (Aiyede, 2016). Bangladesh, although experiencing rising human development outcomes, still grapples with problems of political polarization and bureaucratic inefficiency, which restrict long-term planning and service delivery (Khan, 2020).

Human Capital Theory places key importance on education, health, and skill as the prime drivers of economic and social advancement (Becker, 1964; Schultz, 1961). In Germany and Sweden, substantial investment in public education, vocational training, and health care is supported by governments that place high priority on accountability and fair access. For example, Germany's dual system of education is internationally praised for combining technical education with the needs of the labor market based on close public-private partnership (OECD, 2021).

On the other hand, Nigeria and Bangladesh are confronted with tremendous governance-based hurdles to developing human capital. Nigeria's school and healthcare systems are plagued by sustained underinvestment, poor infrastructure, and mismanagement despite the nation's wealth in oil (World Bank, 2020). Bangladesh has achieved impressive gains in increasing primary education and closing gender gaps, but centralized decision-making and corruption remain entrenched and continue to restrict efficiency and innovation (UNDP, 2021).

Although Institutional and Human Capital Theories offer insightful macro-level analyses, researchers also highlight the need for context-specific governance strategies. Grindle (2007) contends for "good enough governance," a realistic model accepting that developing nations need not imitate Western institutions right away but can follow piecemeal, aimed reforms. For example, Bangladesh's success in reducing poverty and improving child health outcomes is often attributed to effective collaboration between government agencies and non-governmental organizations (NGOs), demonstrating how adaptive governance can deliver results even in weak institutional environments (Lewis, 2017). Nigeria, on the other hand, shows how governance reforms—such as the creation of anti-corruption bodies—often struggle to gain traction without broad-based institutional and societal support (Iwuamadi, 2019).

**Table 2: World Bank WGI Indicators of Governance (2023)**

Country	Effectiveness	Rule of Law	Control of Corruption	Voice & Accountability
Sweden	98.1	97.6	99.0	98.6
Germany	91.8	91.0	89.6	89.4
Bangladesh	30.2	27.9	25.4	34.1
Nigeria	12.3	11.4	10.7	19.8

Source: World Bank WGI (2023)

HDI is an aggregate per capita income, education, and life expectancy measure.

**Table 3: 2022 UNDP Human Development (HDI)**

Country	HDI Score	HDI Rank (out of 191)
Sweden	0.939	7th
Germany	0.942	9th
Bangladesh	0.661	129th
Nigeria	0.535	163rd

Source: UNDP Human Development Report (2022)

The CPI ranks nations between 0 (very corrupt) and 100 (very clean).

**Table 4: Corruption Perceptions Index (CPI-Transparency International, 2023)**

Country	CPI Score	CPI Rank (out of 180)
Sweden	83	5th
Germany	79	9th

<b>Bangladesh</b>	25	147th
<b>Nigeria</b>	24	150th

Source: Transparency International (2023)

**Table 5: Sustainable Development Goals (SDG) Index-SDSN (2022)**

Country	SDG Index Score (0-100)
<b>Sweden</b>	85.2
<b>Germany</b>	82.5
<b>Bangladesh</b>	64.1
<b>Nigeria</b>	51.3

Source: Sustainable Development Report (Sachs et al.,)

### Qualitative Data: Institutional and Policy Contexts

To supplement the quantitative data, this research considers country reports, governance reviews, and policy documents to grasp the drivers of the scores.

**Sweden:** The OECD and Bertelsmann Stiftung's reports identify Sweden's participatory politics, digital transparency mechanisms, and decentralization of services as strengths. Its historically high investment in health and education provides a deep human capital pool.

**Germany:** Federalism ensures local responsibility, while stable coalitions, rule-based planning, and civic engagement mark its politics. The dual vocational education system is frequently mentioned as an outcome-supported success.

**Bangladesh:** Qualitative appraisals point to moderate success in healthcare and education owing to government-NGO coordination. Centralized political authority, poor regulatory environments, and politicized civil service hamper institutional deepening.

**Nigeria:** Governance watchdog analysis and academic literature indicate systemic corruption, political instability, and poor law enforcement. Mismanagement of resources, especially in the oil and gas industry, erodes economic and human development

## RESULTS AND DISCUSSIONS

Presented in this section is the analysis and interpretation of the consolidated data.

A high positive correlation between the quality of governance and development results characterizes the aggregated data. High-performing nations such as Sweden and Germany, where high performance is recorded for governance metrics, are also recurrently high performers across HDI, SDG achievement, and public sector integrity. Conversely, despite natural riches, low-scoring Nigeria consistently fails to deliver improved human well-being. Bangladesh is a transitional country, indicating that carefully tailored interventions and adaptive styles of governance can result in progress under challenging conditions.

## CONCLUSION

Comparative evidence reinforces the critical role of governance in shaping a nation's development outcomes. Whereas Nordic nations exemplify the long-term dividends of institutional integrity and representative governance, developing countries like Nigeria and Bangladesh display the divergent outcomes of governance frailties—and, in Bangladesh's instance, the adaptive potential. Germany presents a hybrid example integrating market efficiency and governance-driven social equity. These cases collectively illustrate that governance is not a marginal concern but a foundation of sustainable development.

These case studies and published literature examine the strong relationship between good governance and sustainable development. Better development outcomes are consistently achieved in countries with high-quality governance, including higher HDI scores, improved public service delivery and stronger environmental sustainability, which briefly defined by transparency, accountability, the rule of the law and well-organized institutions.

Sweden and Germany are considered an examples of how human capital investment, participatory decision-making, and institutional integrity promotes sustainable growth. On the other hand, governance issues in

Bangladesh and Nigeria includes political instability, corruption, and weak institutions impede the growth of countries. Bangladesh, however, demonstrates that even under difficult situations, adaptive governance techniques, such cooperation between the government and non-governmental organizations, may provide notable gains.

Overall, good governance is essential in attaining sustainable development, as it guarantees effective resource management, policies and long-term societal advantages. By putting these policies into practice developing countries may address governance issues and provide the groundwork for sustainable development. For example, they can reinforce anti-corruption efforts by setting up independent anti-corruption committees with enforcement authority. Encouraging openness in the purchase and administration of public resources. To improve accountability and decrease corruption chances use digital technologies.

Invest in the development of human capital by increasing financing for education, healthcare, and vocational training in order to create a workforce that is both healthy and skilled. In addition, resources must be guaranteed, gender inequality must be addressed, and fair access to opportunities. Prioritize the small, gradual changes over trying to rush to replicate Western government models. Invest in the development of human capital by increase financing for education, healthcare, and vocational training in order to create a workforce that is both healthy and skilled. In addition, resources must be guaranteed, gender inequality must be addressed, and fair access to opportunities. Prioritize the small, gradual changes over trying to rush to replicate Western government models.

The priority policies would be to create climate resilience and sustainable resource management, foster green investments and the development of renewable energy projects, and achieve and demonstrate compliance with global sustainability targets all at once. There must be an increase in data systems to track governance and development metrics that allow for evidence-based policymaking. Progress is measured in terms of internationally accepted indicators, such as the World Bank's WGI and UNDP's HDI.

Based on the document, these areas can provide valuable insights, so the following areas for future research are suggested into improving governance systems and fostering sustainable development globally. First, study the role of technology in combating corruption and improving citizen engagement in policymaking and explore how digital tools, e-governance platforms, and artificial intelligence can enhance transparency, accountability, and service delivery in governance. Second, learn to investigate how international organizations like the UN, World Bank, and Transparency International influence governance improvements in developing nations. Observe the success of global governance indicators (e.g., WGI, CPI) in driving policy changes and institutional improvements.

While adopting climate resilience and sustainable environmental policies the function of governance must be studied. To meet global environmental challenges, evaluate how governance systems might change. Investigate the role of public-private partnerships in promoting sustainable development and collaboration in enhancing governance and providing public services. Look at adaptive governance frameworks, such as "good enough governance," for countries with low institutional capability. Explore new governance systems and their scalability in emerging economies. These sectors can provide useful insights for enhancing governance systems and promoting global sustainability

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