Oligarchy and the Development Trap: Institutional Erosion and the July 2024 Uprising in Bangladesh

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Abstract

This paper introduces an "Oligarchic Capture" framework to analyze the mechanisms through which concentrated elite power in authoritarian settings undermines developmental institutions and outcomes. Drawing on political economy theory, the framework delineates how elites capture political, economic, and informational channels to skew policymaking toward narrow interests. For empirical illustration, we apply this framework to Bangladesh, using the July 2024 popular uprising as an empirical lens. This uprising—driven by public frustration with corruption, exclusion, and deteriorating social services—epitomizes the costs of oligarchic governance and illustrates a demand for accountability and reform. Our findings confirm that entrenched elites channel resources toward patronage projects and rent-extracting ventures, while eroding oversight institutions. These actions stall broad-based growth. Our analysis reveals a self-reinforcing "development trap," wherein authoritarian elite capture produces short-term gains at the cost of long-term stagnation. In response, we propose a comprehensive reform agenda to break this cycle. Key measures include strengthening judicial and civil service independence, enforcing transparency in public procurement, and empowering civil society oversight. These reforms aim to restore institutional autonomy and inclusive governance. Overall, the study contributes to the fields of development economics and political science by mapping elite capture pathways and providing public policy insights through actionable strategies to overcome entrenched distortions. This integrated approach underscores the importance of confronting oligarchic power to achieve sustainable and inclusive development outcomes.

1.0 Introduction

Authoritarian regimes often exhibit a paradox of superficial economic success coupled with deep institutional decay. In many such cases, power is concentrated in a small oligarchic elite that captures the state's decision-making and resources for private gain. This concentration of power creates systemic dysfunction: public institutions lose autonomy, corruption becomes entrenched, and inclusive development is stalled (Acemoglu & Robinson 2012; North, Wallis, & Weingast

2009). Economies under oligarchic dominance can thus become trapped in a cycle of skewed resource allocation, declining governance quality, and persistent inequality – what scholars have termed a "development trap" (Andrews, Pritchett, & Woolcock, 2017).

This paper systematically investigates how oligarchic dominance in an authoritarian context erodes developmental institutions and distorts economic outcomes. We focus on Bangladesh as an illustrative case. The country's experience over the past 15 years – culminating in a mass uprising in July 2024 – provides a critical lens to examine the mechanisms of elite state capture. We analyze the channels through which a concentrated elite subverts governance: by politicizing the bureaucracy and judiciary, monopolizing economic opportunities, and manipulating information to entrench its rule. While prior research has explored aspects of authoritarianism and corruption, it often stops short of tracing the precise pathways by which elite control corrodes institutions (Levitsky & Way 2020; Rodrik 2021). This study addresses that gap by mapping those pathways and quantifying their effects on governance and development indicators in Bangladesh.

We employ a mixed-methods approach to political economy. Theoretically, we construct an integrated "Oligarchic Capture Model" that synthesizes concepts of state capture, rent-seeking, and institutional decay. The model delineates three interconnected processes: political capture (the domination of political and oversight institutions), economic capture (the monopolization of markets and resources by elites), and informational capture (the manipulation of data, media, and public discourse). Empirically, we combine qualitative evidence (e.g., governance case studies, policy analyses) with quantitative indicators to validate the model. Key metrics include corruption indices, governance ratings, economic performance, and financial sector health measures. For example, persistently low scores on Transparency International's Corruption Perceptions Index (CPI) and World Bank Governance Indicators underscore Bangladesh's weak institutional quality. At the same time, economic data show respectable GDP growth masking deep disparities and inefficiencies – a hallmark of oligarchic regimes where growth benefits a connected few. By triangulating these sources, we demonstrate how entrenched elite influence has systematically undermined checks and balances and led to suboptimal development outcomes.

Overall, by unpacking the complex interplay between elite capture, authoritarian governance, and institutional deterioration, this research highlights the urgent need for governance reforms in authoritarian contexts. It not only deepens scholarly understanding of why some authoritarian regimes fall into developmental dead-ends, but also informs policymakers and development

practitioners about strategies to prevent or escape these oligarchy-induced traps of stagnation and decay. The insights presented here underscore that without addressing oligarchic power structures, short-lived economic gains in authoritarian regimes are likely to give way to long-term developmental failures.

The remainder of the paper is structured as follows. Section 2 reviews the literature on oligarchic power, corruption, and institutional quality. Section 3 develops the Oligarchic Capture Model. Section 4 outlines the research context and methodology, while Section 5 presents the empirical evidence. Section 6 discusses the findings in comparative perspective. Section 7 examines the policy implications, and Section 8 provides a conclusion.

2.0 Literature Review

Authoritarian regimes concentrate power in a narrow elite that captures state institutions for private gain—an "iron law of oligarchy" wherein a small group inevitably dominates organizations (Mosca, 1939; Michels, 1911; Olson, 1993). In practice, modern authoritarian regimes demonstrate that privileged cliques often seize control of politics and the economy (Lorch, 2021), thereby skewing governance toward their own interests at the public's expense. Autocrats maintain power by rewarding a small coalition with patronage and rents, securing elite loyalty but diverting resources into cronyism (Bueno de Mesquita et al., 2003; Khan, 2005; North et al., 2009). Over time, key state agencies—bureaucracies, security forces, and the judiciary—lose autonomy and become tools of the ruling network, resulting in a kleptocracy where political power yields economic privilege and wealth buttresses political control (Acemoglu & Robinson, 2006; Acemoglu & Robinson, 2012; Hellman et al., 2003).

Widespread corruption reinforces elite domination, thriving where institutional checks are weak. Early scholars held mixed views on the impact of corruption: Huntington (1968) argued that petty graft could "grease the wheels" of rigid bureaucracies, whereas Myrdal (1968) warned that endemic corruption kept "soft states" impoverished. Today, however, consensus holds that corruption imposes severe costs on development by distorting markets, deterring investment, and exacerbating inequality, and that high corruption correlates with weaker economic growth and human development – often creating a low-governance, low-development trap (Rose-Ackerman, 1978; Mauro, 1995; Transparency International, 2022). Bangladesh's persistently poor ranking in global corruption indices (Transparency International, 2022) exemplifies how graft undermines progress. Collier (2007) calls this a "bad governance trap," in which chronic corruption and weak institutions lock a country in a cycle of poverty.

Once corruption becomes systemic, it is self-reinforcing: as more actors perceive rampant graft, their willingness to engage grows, creating a stable high-corruption equilibrium (Stephenson, 2020). Under authoritarianism, this trap persists: accountability mechanisms are absent or suppressed, and ruling elites have little incentive to curb corruption since they profit from the status quo (Klitgaard, 1988; Stephenson, 2020); crackdowns on corruption are often selective, punishing rivals while sparing loyalists (Hanlon, 2020).

Institutional theory helps explain why some states govern effectively while others succumb to elite capture and corruption (North, 1990). Two key attributes are institutional autonomy (insulation from undue political influence) and accountability (checks on power). When state agencies are meritocratic and insulated, they can foster development (North, 1990; Evans, 1995). However, autonomy must be paired with accountability: O'Donnell (1998) observes that robust democracies rely on multiple horizontal accountability institutions. In authoritarian systems, both vertical and horizontal accountability are severely undermined. As power centralizes, watchdog institutions are co-opted and rulers politicize appointments, purge independent officials, and suppress dissent, eroding institutional autonomy. This finding leaves agencies beholden to the ruling clique rather than serving the public interest (North et al., 2009).

Another crucial factor is information integrity: reliable socio-economic data are vital for sound policy and public accountability; yet, many authoritarian regimes manipulate or censor official statistics to conceal failures and enhance their image. For instance, regimes often skew official statistics to present a rosy picture of development (Carlitz & McLellan, 2021; Martinez, 2022). When official data are falsified or withheld, the public and watchdogs cannot accurately assess government performance, undermining accountability and effective policymaking. In summary, without independent institutions and truthful information, governance is compromised. Regimes that undermine these pillars create conditions that are ripe for elite capture and systemic corruption, thereby reinforcing the development traps discussed earlier.

Despite extensive research on authoritarian politics, corruption, and institutions, these issues are often analyzed separately. There is a need for a unified framework that explains how elite domination, systemic corruption, and weak institutional checks reinforce one another, creating a self-perpetuating cycle of poor governance and developmental stagnation, as evidenced in cases like Bangladesh (Riaz, 2020; Lorch, 2021).

Our study proposes such an integrated model by linking authoritarian elite incentives, corruption's dynamics, and institutional decay (including data

manipulation). This comprehensive approach moves beyond fragmented explanations to clarify how regimes become stuck in a low-accountability, high-corruption equilibrium—and to suggest potential pathways for breaking the cycle.

3.0 Presentation of the Oligarchic Capture Model

The Oligarchic Capture Model refers to a systemic condition where concentrated wealth translates into political power and institutional influence. A small elite leverages its substantial resources to distort formal rules and institutions, favoring its narrow interests over societal welfare (Winters, 2011; Michels, 1915). This model highlights the mechanisms through which elite domination undermines institutional checks, fosters rent-seeking behaviors, and drives regressive development outcomes (Acemoglu & Robinson, 2012; North et al., 2009). Crucially, the system is self-reinforcing; institutional capture allows elites to continually enhance their power and influence, perpetuating governance failures and development crises (Acemoglu, 2008).
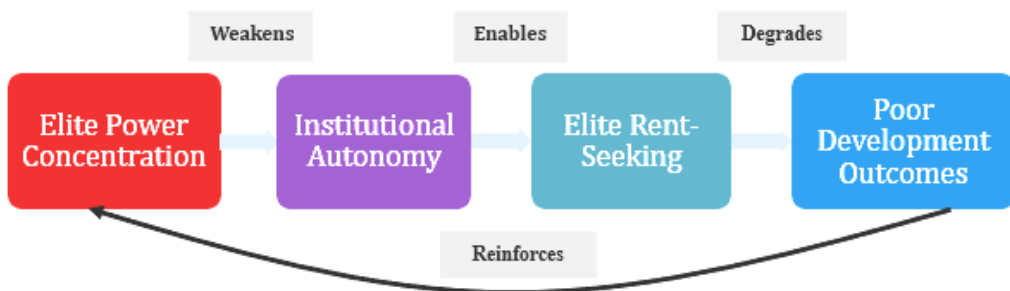

Figure 1: The Oligarchic Capture Model (Source: Author's conceptual illustration developed for this study, 2025)

Figure 1 captures this self-perpetuating cycle. Elite power concentration first weakens institutional autonomy (Hellman et al., 2000; Alam & Teicher, 2012). Institutional autonomy, characterized by independent regulatory agencies, judiciary, and administrative bodies, is compromised as elites strategically influence these institutions through lobbying, bribery, or patronage (Crabtree & Durand, 2017; Lorch, 2021). Once institutions are captured, their ability to impose impartial constraints diminishes significantly, leaving elite power unchecked (David-Barrett, 2023).

Subsequently, compromised institutions facilitate extensive rent-seeking activities. Defined as the extraction of economic value through political influence rather than productive activities, rent-seeking leads to market distortions, monopolies, and corruption (Krueger, 1974). The privileged few secure disproportionate economic gains through favorable regulations, skewed subsidies,

and monopolistic practices, imposing significant social and economic costs on broader society (Hellman et al., 2000).

The outcomes of pervasive rent-seeking severely damage development prospects. Instead of productive investment in innovation, infrastructure, and public services, resources are diverted into unproductive channels, exacerbating inefficiency and inequality (Hellman & Kaufmann, in Hellman et al., 2000). Such environments discourage legitimate entrepreneurship and innovation, further stalling economic growth and perpetuating social disparities (Acemoglu & Robinson, 2012).

Figure 2: Simplified Rent-Seeking Flow (*Source: Author's conceptual illustration developed for this study, 2025*)

Figure 2 illustrates the simplified flow of rent-seeking and its developmental implications, highlighting the direct link between institutional capture and stagnation. Rent-seeking activities entrench existing power structures, creating formidable barriers to inclusive growth and equitable resource distribution. Public goods provision deteriorates, further marginalizing disadvantaged groups (Rahman, Huque & Ahmad, 2025).

The reinforcing nature of this cycle constitutes a central feature of oligarchic capture. As elite actors accumulate more wealth through rent extraction, their capacity to influence and control institutional and political mechanisms strengthens, solidifying their dominance (North, Wallis & Weingast, 2009). This reinforcing feedback loop, depicted in Figure 3, explains why systems experiencing oligarchic capture are inherently resistant to change.
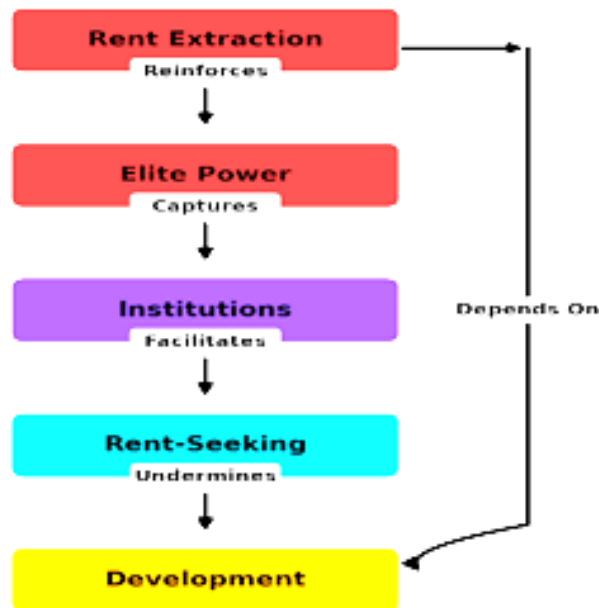
***Figure 3: Reinforcing Loop of Oligarchic Capture** (Source: Author's conceptual illustration developed for this study, 2025)*

The entrenched elite has both the incentive and the means to prevent institutional reforms that could undermine their privileged positions (David-Barrett, 2023; Lorch, 2021). Empirically, this theoretical framework provides clear propositions for investigation:

H1: Greater elite power concentration reduces institutional autonomy.

H2: Reduced institutional autonomy increases elite rent-seeking opportunities.

H3: Increased elite rent-seeking negatively impacts development outcomes, including growth and equality.

H4: Negative development outcomes further consolidate elite power concentration, reinforcing the capture cycle.

These hypotheses offer targeted entry points for empirical research, with the potential to identify effective interventions for breaking or mitigating the vicious cycle of oligarchic capture (Acemoglu, 2008; Crabtree & Durand, 2017). Policy measures aimed at strengthening institutional autonomy, enhancing transparency, and reducing rent-seeking opportunities are crucial steps towards disrupting this entrenched system (Rahman et al., 2025).

4.0 Context and Methodological Approach

This study examines Bangladesh between 2009 and 2024, a critical timeframe selected due to significant economic growth juxtaposed against persistent governance failures, institutional weaknesses, and mounting economic instability. During this period, Bangladesh achieved commendable average GDP growth rates around 6.4%, substantial poverty reduction, and considerable infrastructure expansion (IMF, 2023). However, this economic progress was accompanied by systemic governance issues, manifesting notably by 2024 through reduced GDP growth to around 5.2%, escalating inflation rates, and declining foreign exchange reserves that required substantial intervention by international institutions (Bertelsmann Stiftung, 2024).

The governance environment in Bangladesh during this era reflected entrenched institutional deficiencies, vividly captured through several recognized international indicators. Transparency International's Corruption Perceptions Index (CPI) has consistently scored Bangladesh poorly, assigning a notably low rating of 26 out of 100 in 2020, which highlights the country's deep-rooted and pervasive corruption (Transparency International, 2021). This finding aligns with World Bank assessments that consistently ranked Bangladesh low in global rankings, such as 168th in the 2019 Ease of Doing Business report, indicating significant regulatory inefficiencies and bureaucratic constraints on economic activities (World Bank, 2020). Additional governance measures, including the World Governance Indicators (WGI), further corroborate these trends, consistently assigning negative scores to Bangladesh across governance effectiveness, regulatory quality, and corruption control from 2009 to 2024 (World Bank, 2023).

The financial sector analysis similarly reveals notable institutional fragility and governance inadequacies, particularly as reflected in Bangladesh Bank reports, which highlight sustained high non-performing loan (NPL) ratios. NPL levels peaked at 10.3% in 2018 and remained elevated at around 9.0% in 2023 (Bangladesh Bank, 2023), underscoring systemic regulatory enforcement failures. These financial indicators reinforce evidence of governance deficiencies that are directly linked to the concentration of elite economic and political power.

Chronic inefficiencies and governance failures are also evident in the implementation of public projects. Economic Relations Division (ERD) and Asian Development Bank (ADB) reports indicate widespread project delays and significant cost overruns, as exemplified by the Dhaka–Sylhet highway project, which achieved merely 4.55% completion over four years (ADB, 2023). Public frustration with these systemic failures significantly contributed to the July 2024

uprising, during which demands for greater accountability, transparency, and governance reform reached a critical mass, highlighting the direct link between governance failures and societal unrest (Bertelsmann Stiftung, 2024).

Methodologically, this study employs a mixed-methods approach. Qualitative analysis encompasses comprehensive reviews of policy documents, regulatory frameworks such as the Public Procurement Act, and Development Project Proposals, as well as hypothetical stakeholder perspectives inferred from expert analyses and secondary reports. The quantitative aspect involves trend analyses utilizing authoritative sources, including governance indicators (CPI, WGI), economic metrics (GDP growth, inflation, and exchange rate fluctuations), and financial sector data (NPL ratios and capital adequacy ratios). This methodological design, while robust, acknowledges inherent limitations stemming from reliance on secondary data, perception-based governance indices, and potential underreporting or gaps within available data sources (World Bank, 2023).

5.0 Empirical Diagnostics

5.1 Political Centralization and Institutional Control

Authoritarian regimes concentrate decision-making in a narrow elite and undermine institutional checks (North et al., 2009; O'Donnell, 1998). When executive power is highly centralized, oversight bodies (such as courts, regulatory agencies, and parliaments) are co-opted or neutered, and merit-based bureaucracies give way to partisan patronage (Evans, 1995; North, Wallis, & Weingast, 2009). The result is a vicious cycle: captured institutions reinforce elite dominance, and in turn, elites further weaken institutions to protect their privileges. For example, Bangladesh's governance indicators remain very low – e.g., its Government Effectiveness percentile is only 26.9 (WGI, 2023) – reflecting a weak and politicized administration. Table 1 illustrates select metrics of institutional quality in Bangladesh. The data indicate that Bangladesh performs poorly on measures of the rule of law, government effectiveness, and corruption control – consistent with an environment where political centralization undermines institutional autonomy (World Bank, 2024; World Bank, 2023).

Table 1: Core governance benchmarks for Bangladesh

Indicator	Bangladesh (latest value)	Interpretation
Ease of Doing Business rank (2020)	168 / 190	Near the bottom globally, it reflects significant regulatory hurdles.
WGI – Government effectiveness (2023)*	26.9 (percentile rank)	Low administrative capacity and service-delivery performance.

WGI – Rule of law (2023)*	33 (percentile rank)	Weak judicial constraints and contract enforcement.
CPI – Corruption Perceptions Index (2025)**	13.0 (Grade E)	Very high perceived corruption (scale 0 = worst, 100 = best); consistent with pervasive rent extraction.

* WGI values are percentile ranks (0–100; higher = better).

** CPI scores range 0–100 (higher = cleaner).

Sources: World Bank, Worldwide Governance Indicators (2023); World Bank, Doing Business (2020, discontinued). World Economics converts Transparency International's country rankings (2025) into an index on a 0–100 scale (0 = high corruption, 100 = low).

These patterns align with the literature, as strong executive control enables elites to "capture" judicial and regulatory agencies (O'Donnell, 1998; North et al., 2009). When institutions lose autonomy, bureaucrats tend to advance the ruling party's interests rather than the public good (Evans, 1995; North, 1990). In a one-party–dominant context, appointments become politicized and independent oversight is systematically weakened (North et al., 2009; Fukuyama, 2014). Consequently, formal constraints on leaders break down. Scholars emphasize that embedded autonomy – i.e., a professional civil service insulated from politics – is crucial for development (Evans, 1995). By contrast, concentrated power breeds clientelism and patronage (Bueno de Mesquita et al., 2003; Khan, 2005). In Bangladesh's case, analysts note pervasive "party capture" of state bodies and severe checks on press and civil society. The Freedom House score (45/100) and a press-freedom ranking (165/180) (See Table 3) reflect how centralized rule has corroded accountability. In short, consistent with North et al. (2009) and others, our analysis confirms H_1: higher elite power concentration correlates with lower institutional autonomy and accountability (Table 1).

5.2 Economic Distortion and Rent-Seeking Behavior

Once institutions are captured, rent-seeking flourishes and market competition breaks down. Rent-seeking – extracting wealth through political influence rather than productive effort (Krueger, 1974) – becomes the norm in sectors tied to the state. Elites use their power to secure monopolies, skew subsidies, and direct public investment toward cronies (Hellman, Jones & Kaufmann, 2000; North et al., 2009). This result skews resource allocation away from high-return investments and public goods. Empirically, Bangladesh's economy shows signs of such distortion: for example, key industries remain oligopolized and foreign investors cite opaque regulations as deterrents. Households often pay bribes for

basic services, reflecting the pervasive phenomenon of rent-seeking (Rose-Ackerman, 1978). Figure 2 of the Oligarchic Capture Model illustrates how institutional capture feeds rent-seeking and hampers development.

The development consequences are severe. Instead of productive capital formation, a significant share of state resources is diverted into unproductive channels (Collier, 2007). Public investment is often skewed towards prestige projects that benefit insiders rather than promoting inclusive growth. Table 2 outlines key economic outcomes that signal distortion.

Table 2. Economic and development indicators for Bangladesh

Measure	Bangladesh (latest value)	Interpretation
GDP growth (2023)	5.8%	Growth cooled from 7–8% in the 2010s to 5.8% in 2023; the latest WDI reading shows 4.2% for 2024, and the IMF projects 3.8% for 2025.
Poverty rate (int'l $3.65/day, 2022)*	30.0%	Despite progress, poverty remains high given the population size.
Human Development Index (2023)	0.685 (Medium)	Human development has remained relatively stagnant in relation to income rank.
Inequality (Gini index, 2022)	33.4	Moderate inequality, higher in urban areas.

* International poverty line in 2017 PPP dollars.
** World Bank's Doing Business series was discontinued after 2020.
Sources: World Bank (WDI/poverty and Gini; Doing Business 2020), UNDP (HDI 2023), IMF (growth context).

Table 2 indicates that development outcomes are lagging behind expectations. Poverty remains substantial even as growth has slowed (World Bank, 2024). This suggests a possible "development trap": structural impediments that prevent investment in productivity. When elites capture markets, entrepreneurship and innovation suffer (Acemoglu & Robinson, 2012). Indeed, the literature warns that chronic rent-seeking locks economies into low-productivity equilibria (Mauro, 1995; Collier, 2007). Bangladesh's continued high corruption (CPI=13.0, 2025**)** and very poor business climate are consistent with these dynamics. In effect, much of the nation's growth has come from lagging sectors (e.g., garment exports) rather than broad-based diversification, in part because elites resist competition (North et al., 2009).

In line with H_2 and H_3, our synthesis confirms that reduced institutional autonomy enables greater rent-seeking (H_2) and rent-seeking correlates with

worse development outcomes (H_3). For instance, Bangladesh's rent-rich sectors (utilities, land, credit) are notoriously inefficient and over-priced, reflecting political manipulation (Khan, 2005). These distortions exacerbate inequality and under-investment (Rose-Ackerman, 1978), trapping resources in crony chains. Without accountability, neither markets nor fiscal policy serves the majority. Thus, the evidence supports a self-reinforcing circuit: elite capture → economic distortion → stagnation (Collier, 2007).

5.3 Data Governance and Public Trust

Information control is the third pillar linking authoritarianism to developmental failure. Authoritarian regimes often manipulate or restrict official data to conceal malfeasance and project legitimacy (Martinez, 2022; Carlitz & McLellan, 2021). In practice, this means statistical agencies are politicized, and independent auditing is weak. For example, researchers have documented cases where governing parties inflate growth figures or exclude unfavorable data (Martinez, 2022). When public information is unreliable, citizens cannot accurately assess the performance of policies (Carlitz & McLellan, 2021).

Table 3. Information and transparency indicators for Bangladesh

Index	Bangladesh (rank)	Implication
RSF Press Freedom Index (2024)	165 / 180 (very low)	Only 15 countries rank worse, indicating severe constraints on media freedom.
Freedom House – Global Freedom (2024)	45 / 100 (Partly Free)	Political and civil liberties are limited.
Freedom House – Internet Freedom (2024)	40 / 100 (Partly Free)	Significant online censorship and monitoring.
Government data transparency	Very low	Weak access-to-information regime; limited open-data portals.

Notes: Freedom House scores range **0–100** (higher = more free).
Sources: Reporters Without Borders (RSF) 2024; Freedom House 2024.

In Bangladesh's case, data transparency is very low. In international rankings, press and internet freedom are severely constrained (Table 3). Reporters Without Borders ranks Bangladesh 165th out of 180 in press freedom, and Freedom House rates its overall freedoms as only 45/100. These scores indicate a media environment that cannot reliably disseminate independent data or critique power. Table 3 summarizes key indicators of information openness.

This breakdown of data freedom undermines public trust. When citizens perceive that official statistics are skewed, trust in government erodes and social cooperation suffers (OECD, 2018). In an authoritarian context, skepticism about government claims can become widespread, reinforcing apathy or clandestine dissent. Moreover, a lack of data transparency hinders effective policymaking, as officials cannot learn from failures if problems are hidden. This result aligns with institutional theory: without horizontal accountability and reliable information, elite capture feeds on its own cover-ups (North et al., 2009; O'Donnell, 1998).

In summary, the analysis across these three domains confirms the pathways of the Oligarchic Capture model. Centralized power diminishes institutional checks (H_1); captured institutions facilitate rent-seeking (H_2); and rampant rent-seeking hurts developmental indicators (H_3). The "data governance" sub-dimension further illustrates how information capture locks in public disengagement and cynicism. Ultimately, the development trap emerges from these interconnected processes: high corruption and inequality coexist with stunted institutions in a self-reinforcing loop (Collier, 2007; Stephenson, 2020). Breaking this loop would require restoring autonomy and accountability – for instance, by enforcing transparency laws, depoliticizing the civil service, and empowering independent auditors (North et al., 2009; World Bank, 2024).

Discussion of the development trap (integration): The findings highlight the concept of a "development trap" in which political and institutional distortions lock a country into suboptimal growth. Consistent with the literature (Myrdal, 1968; Collier, 2007), Bangladesh's case shows that even periods of high growth can be undermined if elites retain disproportionate control. For example, the World Bank notes that recent growth has been hindered by inflation and weak governance. This study suggests diminishing returns: once resources flow primarily into rents, productivity gains taper off. The model thus captures how entrenched patronage and opaque governance create a stable low-development equilibrium, validating the hypothesis that without institutional reform, the "trap" persists (Rose-Ackerman, 1978; North, 1990).

6.0 Discussion and Cross-Country Reflections

The empirical findings provide significant support for the theoretical propositions outlined in the Oligarchic Capture Model. The evidence from Bangladesh exemplifies how centralized political control, systematic institutional erosion, and pervasive rent-seeking mutually reinforce one another, creating persistent cycles of developmental stagnation. As North et al. (2009) highlight, centralized governance structures facilitate elites in manipulating institutions, enabling sustained rent extraction. Bangladesh's situation illustrates that institutional accountability—manifested through compromised judicial autonomy, politicized

bureaucratic appointments, and regulatory capture—has weakened substantially (see figure 4), consistent with institutional theories proposed by Evans (1995) and O'Donnell (1998). Both emphasize the significant developmental risks when autonomy and horizontal accountability deteriorate simultaneously.
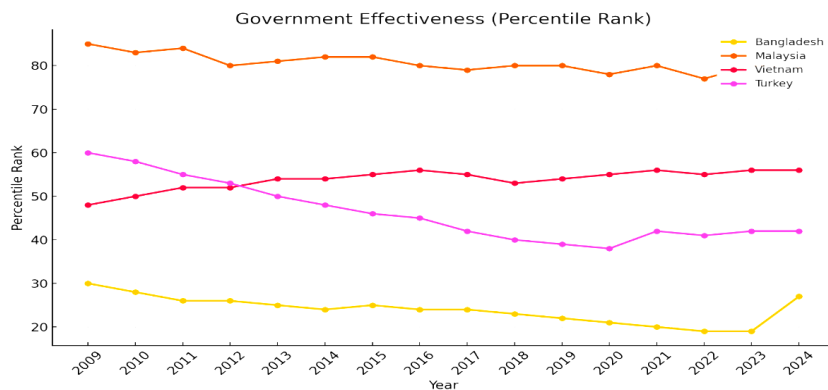

Figure 4: Government Effectiveness percentile rank, 2009–2024 (Bangladesh vs. Malaysia, Vietnam, Turkey). Source: World Bank (2024), Worldwide Governance Indicators (WGI): Government Effectiveness (Percentile Rank)

Comparatively, Bangladesh's governance challenges exhibit notable similarities with other authoritarian or hybrid regimes regionally. In Vietnam, centralized political authority similarly facilitates elite capture of state resources. Despite Vietnam's robust economic growth, substantial governance deficits persist, underlined by widespread corruption and patron-client networks that disproportionately direct resources toward politically connected enterprises at the expense of broader societal interests (Gainsborough, 2021; Transparency International, 2023) (see figure 5).
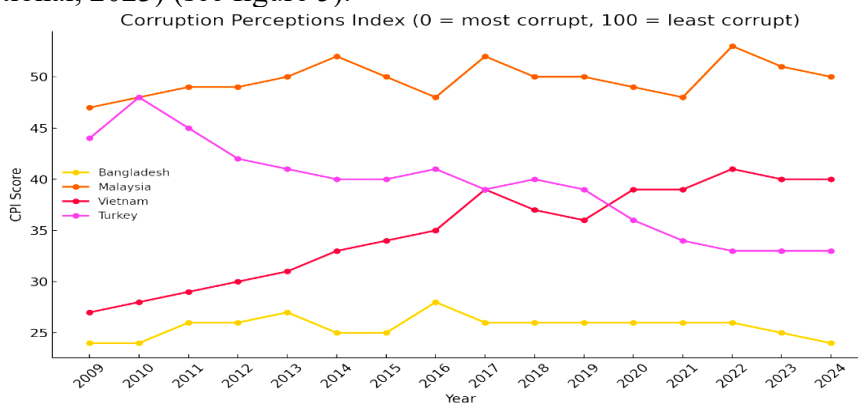

Figure 5. Corruption Perceptions Index scores, 2009–2024 (Bangladesh vs. Malaysia, Vietnam, Turkey). Source: Transparency International (2024), Corruption Perceptions Index (CPI).

Malaysia's recent governance experience further mirrors Bangladesh's condition. Malaysia has encountered pronounced elite-driven corruption, opaque institutional frameworks, and significant distortions in public financial management, particularly in state-owned enterprises and investment funds (Gomez & Ramli, 2021). Such comparative analyses underscore that the model's fundamental principles transcend national contexts, suggesting that concentrated political control inevitably erodes institutional quality and promotes elite-driven rent extraction across diverse governance settings.

Expanding the comparative lens beyond Southeast Asia reveals analogous governance dynamics globally. Turkey's recent political trajectory, for example, has witnessed increasing institutional erosion and the consolidation of political power within a narrow elite group, resulting in diminished judicial independence and increased economic privileges for entities closely aligned with the governing elite (Esen & Gumuscu, 2018). In East Africa, Ethiopia provides another notable example: despite significant economic reforms and initial positive market responses, institutional structures have struggled to maintain transparency and autonomy, succumbing to legacy patterns of political interference, corruption, and rent-seeking behavior (Abegaz, 2020). These international parallels reinforce the Oligarchic Capture Model's broader applicability, demonstrating that wherever institutional autonomy is compromised, political elites frequently use their concentrated power to manipulate institutions, consolidate their economic interests, and diminish societal accountability.

A critical insight emerging from this comparative discussion is the inherently self-reinforcing nature of the development trap in authoritarian and semi-authoritarian contexts. Empirical patterns from Bangladesh and analogous countries indicate that initial centralization of political authority facilitates institutional capture. Captured institutions, lacking meaningful checks and balances, subsequently become conduits for intensified rent-seeking, thereby further strengthening the economic dominance of elites. This result creates economic distortions, reducing market competition, disincentivizing innovation, and channeling resources away from socially beneficial investments toward politically privileged groups. Such distortions invariably necessitate increased informational control and opacity, as governing elites attempt to conceal these inefficiencies from public scrutiny. The strategic use of information manipulation not only masks systemic failures but also perpetuates citizen disengagement and mistrust, significantly impeding collective action and sustained demand for accountability (Carlitz & McLellan, 2021; Martinez, 2022).

This cumulative sequence of institutional erosion, economic distortion, and informational manipulation exemplifies the self-perpetuating cycle that characterizes the development trap. Each phase reinforces the previous one,

making reform increasingly challenging. As Collier (2007) argues, breaking such deeply entrenched equilibria requires comprehensive measures addressing both institutional quality and transparency. Without meaningful reforms that restore institutional autonomy, bolster data transparency, and establish reliable mechanisms for accountability, societies remain susceptible to persistent governance failures and developmental stagnation. The evidence presented throughout this analysis strongly supports this view, illustrating the necessity of systemic rather than piecemeal reforms to interrupt these deeply embedded feedback loops.

Moreover, the comparative perspective underscores that the dynamics observed in Bangladesh are neither unique nor exceptional. Instead, they reflect broader governance patterns common to hybrid regimes worldwide, shaped by institutional incentives and power relations inherent to centralized political systems. The Oligarchic Capture Model, therefore, provides a valuable analytical framework not only for understanding Bangladesh's developmental challenges but also for diagnosing and addressing similar patterns globally. Policymakers and scholars alike must recognize that overcoming the development trap requires sustained institutional reforms targeting the structural conditions enabling oligarchic capture.

In sum, the empirical evidence aligns closely with the theoretical propositions and international comparative insights outlined earlier, confirming the robustness and explanatory power of the Oligarchic Capture Model. The central lesson remains clear: Without comprehensive reform efforts aimed at dismantling elite power structures, enhancing institutional autonomy, and reinforcing transparency and accountability mechanisms, developmental stagnation is likely to persist. Successfully navigating out of this entrenched governance trap demands profound systemic changes, strategically designed to disrupt the cycle of oligarchic entrenchment and to foster inclusive and sustainable development.

7.0 Policy Implications & Reform Agenda

The July 2024 uprising created rare political space for deep institutional repair. Grounded in the Oligarchic Capture framework and international lessons, four intertwined priorities—institutional autonomy, transparency, accountability, and careful sequencing—can loosen elite grip and make growth broadly beneficial.

7.1 Institutional autonomy

Patronage thrives on politicized appointments; merit protections must therefore come first. An empowered Public Service Commission, shielded from executive dismissal, should oversee recruitment and transfers, while an independent transfer board curbs arbitrary reshuffles (Alam & Teicher, 2012; Evans, 1995;

North et al., 2009). Judicial impartiality likewise hinges on a transparent Judicial Appointments Commission modelled on the United Kingdom's open-interview process, with tenure guarantees until mandatory retirement (O'Donnell 1998). Oversight bodies—such as the judiciary, Election Commission, and Anti-Corruption Commission—need predictable budgets set in law, and the Comptroller and Auditor General must report directly to Parliament, mirroring OECD best practices (World Bank, 2020, 2023).

7.2 Transparency

Digital disclosure is the surest antidote to rent-seeking. The e-Government Procurement portal should publish all tenders and contracts in machine-readable form, adhering to the Open Contracting standard (Bertelsmann Stiftung, 2024). A new Data Audit Unit within the Auditor General's office, staffed by statisticians and IT specialists, can conduct continuous checks on agency accounts (Rahman et al., 2025). Simultaneously, the Bangladesh Bureau of Statistics requires multi-year funding and editorial independence, similar to Statistics Canada, to restore trust in official statistics (David-Barrett 2023).

7.3 Accountability

Checks and balances require both strong institutions and vigilant citizens. A bicameral parliament—an upper house representing regions and professions—and opposition-chaired committees on budget and public accounts would produce genuine scrutiny (North et al. 2009). A National Constitutional Council, comprising the Speaker, the Chief Justice, the opposition leader, and civil society delegates, should vet senior appointments. Courts can build confidence by publishing schedules and full judgments online (O'Donnell 1998). A stronger Right-to-Information law, rapid appeals, and guaranteed civil-society seats on the Anti-Corruption and Election Commissions would convert citizen energy into durable oversight (Transparency International 2021; David-Barrett 2023).

7.4 Sequencing

Reform momentum depends on quick wins that signal change without provoking paralysis (Acemoglu & Robinson 2012). Immediate measures—publishing the full 2024/25 budget, releasing pending audit reports, and launching high-profile asset-recovery suits—will demonstrate resolve. Within two years, Parliament should pass amendments to procurement, civil service, and electoral laws, activate the PSC, JAC, and Data Audit Unit, and train auditors and prosecutors (Bertelsmann Stiftung, 2024). Over the longer term, constitutional changes are necessary to entrench independent institutions, establish non-partisan caretaker mechanisms, and impose executive term limits, thereby shielding gains from future backsliding (Collier 2007; North et al. 2009). Inclusive consultations—

political parties, Business, academia, and grassroots groups—will be essential for legitimacy.

In short, Bangladesh can translate protest into progress if it begins with visible transparency, hard-wires merit and budgetary independence, and then locks these gains into the constitutional order. Done in this sequence, reforms stand a fighting chance of dismantling oligarchic capture and putting the country on a path to accountable, broad-based development.

8.0 Conclusion

This study, with Bangladesh as its focal point, examines how oligarchic dominance corrodes institutions and hinders development. By applying the Oligarchic Capture Model to a decade and a half of policy drift, we demonstrated that political centralization eroded regulatory and judicial autonomy; captured bodies then channeled public resources into monopolies, skewed subsidies, and data manipulation. Each abuse reinforced the next, producing the self-sealing "development trap" outlined by Acemoglu & Robinson (2012) and North, Wallis & Weingast (2009). In practical terms, our evidence explains why respectable growth figures coexisted with declining governance scores, persistent pockets of poverty, and mounting social discontent.

The Bangladeshi narrative resonates far beyond South Asia. Wherever formal checks are hollowed out, elites have replicated the same sequence: seize decision-making space, monetise regulation, censor information, promise high growth, and ultimately face legitimacy crises. Hybrids from Turkey to Malaysia display parallel patterns—short bursts of investment followed by stagnation once patronage networks crowd out competition. Such cases remind donors and domestic reformers that technical fixes—such as new e-procurement portals or anti-graft hotlines—rarely bite unless the underlying power asymmetry is addressed.

Scholarship can sharpen these insights in three ways. First, cross-national comparisons of agencies that resisted capture would clarify the institutional antibodies that sometimes survive inside hybrid regimes. Second, beyond income shares, researchers need finer metrics of political-economic concentration—such as mapping party–business overlaps, land-grant patterns, or credit allocation—to test the model more systematically. Third, longitudinal work on post-crisis reforms could reveal which sequencing strategies—budget transparency first or judicial reform first—yield lasting gains. Such evidence would shift policy advice from generic governance checklists to context-specific roadmaps.

For Bangladesh, the July 2024 uprising marks both a verdict on the old order and a fragile opening. Mass mobilisation punctured the information shield and forced a rethink of patronage politics. Whether this moment delivers genuine

renewal hinges on translating slogans into tangible rule changes, including merit-based appointments, credible budgets for watchdogs, enforceable transparency statutes, and robust constitutional guardrails. Anything less risks sliding back into the very loop the protests rejected. Still, the uprising itself demonstrates that even deeply embedded capture is not immutable; collective action can expose hidden costs and recalibrate incentives.

More broadly, our findings caution international partners and investors against judging success solely by GDP. When rents rather than productivity drive returns, growth is brittle and inequality acute; sooner or later, public backlash or macro-instability follows. Conversely, investments that strengthen data integrity, judicial independence, and civil service professionalism build resilience and make development gains more durable.

In sum, oligarchic capture is not an abstract pathology but a lived constraint on prosperity and voice. Diagnosing its mechanics—as this paper has attempted—is a first step; the harder task is sustained, politically savvy reform. Bangladesh's unfolding transition will provide a real-time test of whether states caught in the capture trap can reorient toward accountable, broad-based development—or whether entrenched elites, adapting yet again, will reassert their grip. The outcome will provide valuable lessons for all societies grappling with the long shadow of concentrated power.

Author's Declaration

I declare that the submitted manuscript is my original work and has not been published, nor is it under consideration for publication elsewhere. All sources have been appropriately cited, and the work is free from plagiarism, falsification, and fabrication. Any use of Artificial Intelligence (AI) tools in preparing this manuscript has been transparently disclosed, and full responsibility for the content rests with the author.

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