Some authors have suggested that the type of regime may matter less than how the government functions in practice. According to Bardhan, too much emphasis has been placed on authoritarianism versus democracy.[41] Instead, we should focus our attention on the degree of relative autonomy that government practices; whether is puts long-term goals (such as investment policies to enhance economic growth prospects) ahead of short-term pork-barrelling policies that are pursued for political gain (such as immediate consumption). He suggests that we should look at the quality of intervention, not the quantity. Government intervention in the economy should involve selective, targeted measures, and not indiscriminant blanket controls and regulations. For example, a government program to reduce poverty should offer subsides to the poorest segments of society, rather than blanket price controls that would distort relative prices and benefit all consumers, not just the neediest.

A more important factor for economic growth than the type of government, may be the degree of political stability that is exhibited by a country. Even moderate political instability can scare away potential foreign investors and creditors and cause the rapid devaluation of the domestic currency in international markets. More extreme instability can result in the marked slowdown of productive activity and the emigration of large numbers of people, often the most productive members of society. There is evidence to support the hypothesis that political stability is an important determinant of economic growth. Barro shows that political instability (as measured by the number of political assassinations, coups and revolutions) is negatively related to investment and growth rates.[42]

As mentioned above, early development economists put a great deal of emphasis on government involvement in the economy, largely the result of prevailing Keynesian economic thinking at the time. Economists tended to focus on market failures in the economy and reasoned that governments could somehow overcome these market shortcomings to ensure that the economy would remain on a steady growth path. The neoclassical resurgence brought with it a host of attacks on the role of government in the economy; the less government, the better. Krueger notes that the role that traditional development economists

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[41]Pranab Bardhan, "Symposium on the State and Economic Development," *Journal of Economic Perspectives*, Vol. 4, No. 3 (Summer 1990), 3-7.

[42]Robert J. Barro, "Economic Growth in a Cross Section of Countries," *Quarterly Journal of Economics*, Vol. 106, No. 425 (May 1991), 407-43.