

From Institutional Primacy to Cultural Embeddedness: A Comparative Analysis of Socio-Economic Development in the Theories and Policies of Neo-Institutionalism and Post-Development

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<p>Article type: Research Article</p> <p>Article history: Received: 26 - 3 - 2025 Received in revised form: 5 - 9 - 2025 Accepted: 13 - 9 - 2025 Published online: 13- 12 – 2025</p> <p>Keywords: <i>New Institutionalism,</i> <i>Post-Development,</i> <i>Development Discourse,</i> <i>Economic Development,</i> <i>Social Development,</i> <i>Systematic Review</i></p>	<p>Objective: The purpose of this article is to provide a comprehensive comparative theoretical analysis of two influential yet epistemologically divergent paradigms in contemporary development studies: New Institutionalism (NI) and Post-Development (PD). New Institutionalism approaches development as a programmable and institution-driven process, emphasizing the centrality of formal rules, property rights, judicial independence, and transparent governance structures. In this view, development is understood as a technical matter of institutional design and reform, where the creation of predictable and incentive-compatible structures enables long-term economic growth and social stability. Post-Development, in sharp contrast, perceives development itself as a discursive and hegemonic construct rather than a neutral project. It highlights how the very concept of development marginalizes non-Western societies, delegitimizes indigenous knowledge, and sustains the cultural dominance of the Global North. By systematically reviewing seven canonical works drawn from both traditions, the article seeks to clarify how these paradigms conceptualize socio-economic development, how they interpret the role of the state, how they explain the persistence of poverty, and what kinds of strategies they propose for social change.</p> <p>Methodology: The research adopts a qualitative approach, relying on a systematic review of theoretical literature and comparative analysis rather than empirical or statistical data. The corpus of analysis consists of seven widely recognized texts. Three of these works represent the perspective of New Institutionalism: Oliver Williamson's "The Economic Institutions of Capitalism" (1985), Douglass North, John Wallis and Barry Weingast's "Violence and Social Orders" (2009), and Acemoglu and Robinson's "Why Nations Fail" (2012). Four texts embody the post-development approach: Arturo Escobar's "Encountering Development" (1995), Rahnema and Bawtree's "the Post-Development Reader" (1997), Aram Ziai's "Post-Development: Theory and Practice" (2016), and Ziai's more recent Development Discourse and World History (2023). Each of these works has been selected not only for its canonical status within its respective paradigm</p>



but also for its comparability in addressing the central themes of development, power, institutions, and cultural diversity. The analysis proceeds through a systematic strategy. Each text is examined in terms of four interrelated dimensions: the ontological premises concerning what development is understood to be; the epistemological orientation that informs how development is known, studied, and explained; the functional implications that highlight what development does in practice; and the policy consequences that indicate how development should be pursued, reformed, or abandoned.

Findings: The analysis reveals a series of sharp contrasts as well as a few subtle parallels. From an ontological standpoint, New Institutionalism defines development as a measurable and universal process of institutional optimization. Institutions, conceptualized as “the rules of the game,” are considered decisive in shaping incentives, reducing transaction costs, and fostering productive cooperation. For NI scholars, development can be reliably achieved wherever societies establish inclusive, transparent, and accountable institutions. Post-Development, on the other hand, defines development as a discursive apparatus of power rather than a neutral project. Development, in this view, functions as a set of practices and narratives that construct the “Third World” as backward, dependent, and in need of modernization, thereby legitimizing Western interventions. Rather than solving problems of poverty or inequality, PD contends that development reproduces colonial hierarchies in new forms. Epistemologically, NI aligns with rational-choice economics and positivist assumptions. It relies on historical comparisons and case studies but maintains a realist faith in identifying causal regularities and universal explanatory frameworks. In contrast, PD draws heavily from postcolonial studies, Foucauldian discourse analysis, and poststructuralist epistemologies. It emphasizes that knowledge about development is always situated, politically loaded, and inseparable from structures of domination. For PD, development is not an objective category but a contested discourse that generates regimes of truth. The role of the state is also conceived differently. For NI, the state is central and indispensable. A strong, law-based, and institutionally coherent state is considered the guarantor of development, capable of enforcing contracts, protecting property rights, and creating predictable frameworks for economic and political activity. PD, in contrast, views the state with suspicion, often as complicit in reproducing the development discourse. NI attributes persistent poverty to weak or extractive institutions that fail to guarantee secure property rights, inclusive political participation, or stable governance. Poverty is thus understood as the outcome of dysfunctional institutional arrangements that can, at least in principle, be corrected through reform. PD views poverty differently. For PD theorists, poverty is not merely an empirical condition but a discursive construction produced when global development discourse labels entire populations as “underdeveloped.” Such labeling erases the validity of non-Western ways of life, devalues subsistence economies,



and delegitimizes alternative forms of well-being. In this perspective, poverty is less a problem to be solved than a symptom of the domination inherent in the development paradigm itself. The policy implications of these approaches are equally divergent. NI prescribes a path of institutional reform, advocating for stronger property rights, reduced corruption, judicial independence, and governance structures that align incentives with productive outcomes. Its proposals are pragmatic, programmatic, and universalist. PD, however, calls for delinking from development altogether. It insists on rejecting externally imposed blueprints, privileging indigenous knowledge systems, sustaining cultural diversity, and nurturing local alternatives such as solidarity economies, ecological self-sufficiency, and grassroots empowerment. For PD, the solution lies not in creating “better” development but in creating “alternatives to development.”

Conclusion: The comparative analysis confirms that New Institutionalism and Post-Development are grounded in fundamentally incommensurable epistemologies. NI envisions development as a universal and achievable project, grounded in rational institutional reform and supported by strong state structures. PD rejects this framework altogether, arguing that development is not a solution but a hegemonic discourse of domination that must be replaced with plural, culturally embedded alternatives. The implications of this confrontation are far-reaching. They demonstrate that development studies cannot be limited to technical questions of efficiency, governance, or institutional design. Rather, they must also grapple with deeper questions of power, discourse, and cultural legitimacy. NI offers clear and actionable policy blueprints, yet risks overlooking cultural specificity and inadvertently reinforcing Western institutional norms. Ultimately, the debate between NI and PD is not simply a matter of competing policy preferences but reflects two entirely different ontologies of development. NI affirms the possibility of designing development through institutions, while PD insists that the very concept of development is problematic and should be abandoned in favor of local alternatives. Recognizing this clash is crucial for repositioning development studies. Instead of being seen as a narrow technical field, development must be understood as an interdisciplinary domain that incorporates economics, sociology, anthropology, and postcolonial critique.

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