

PLS 341

Politics of Development

Week 8, Lecture 1:
Developmental states

Recap

- State capacity as a key driver of development
- *Longue durée* historical processes as the primary source of state capacity

Plan for this week

- Developmental states
- Contemporary efforts to build state capacity

Plan for today

- Developmental states:
 - Phenomenon and concept
 - Causes of developmental states' developmental success
 - Origins of developmental states

Paucity of state capacity

- Andrews et al.:
 - Very weak or weak state capacity in 49 of the 102 historically developing countries
 - Deteriorating state capacity in 36 of the 102
 - Deteriorating state capacity 31 of the 45 countries with medium state capacity
 - Attainment of high state capacity limited to 8 historically developing countries

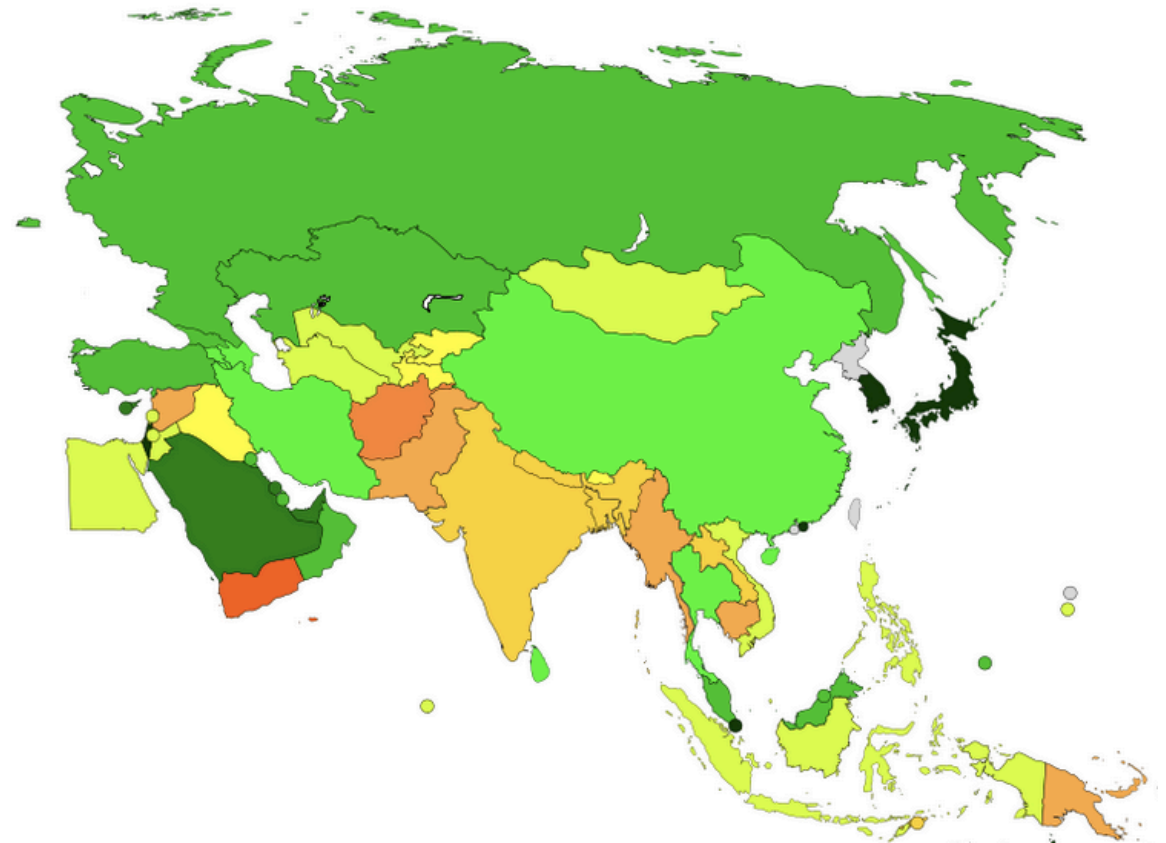
• Andrews, Matt, Lant Pritchett, and Michael Woolcock. 2017. *Building state capability. Evidence, analysis, action*. Corby: Oxford University Press.

The eight

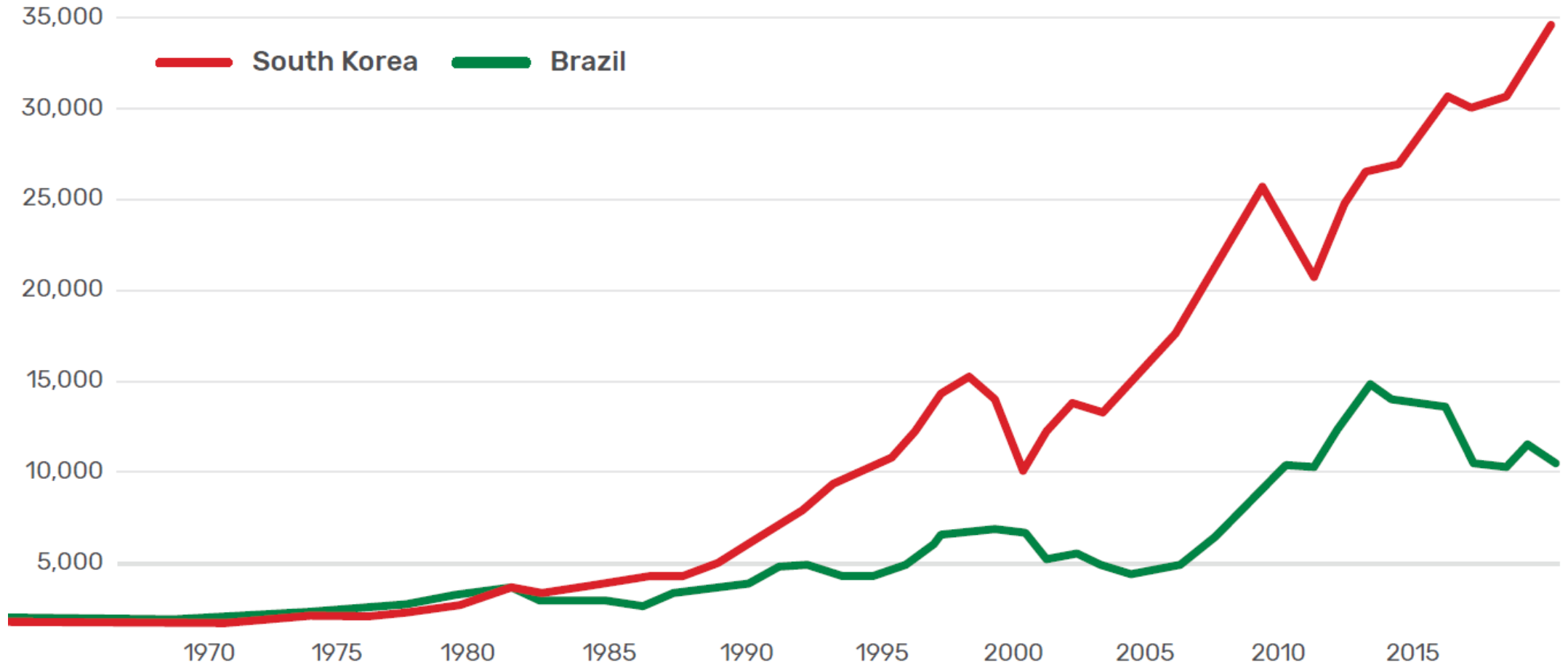
- Bahrain
- Brunei
- Qatar
- United Arab Emirates
- Singapore
- Bahamas
- Chile
- South Korea

Development and state capacity in Asia

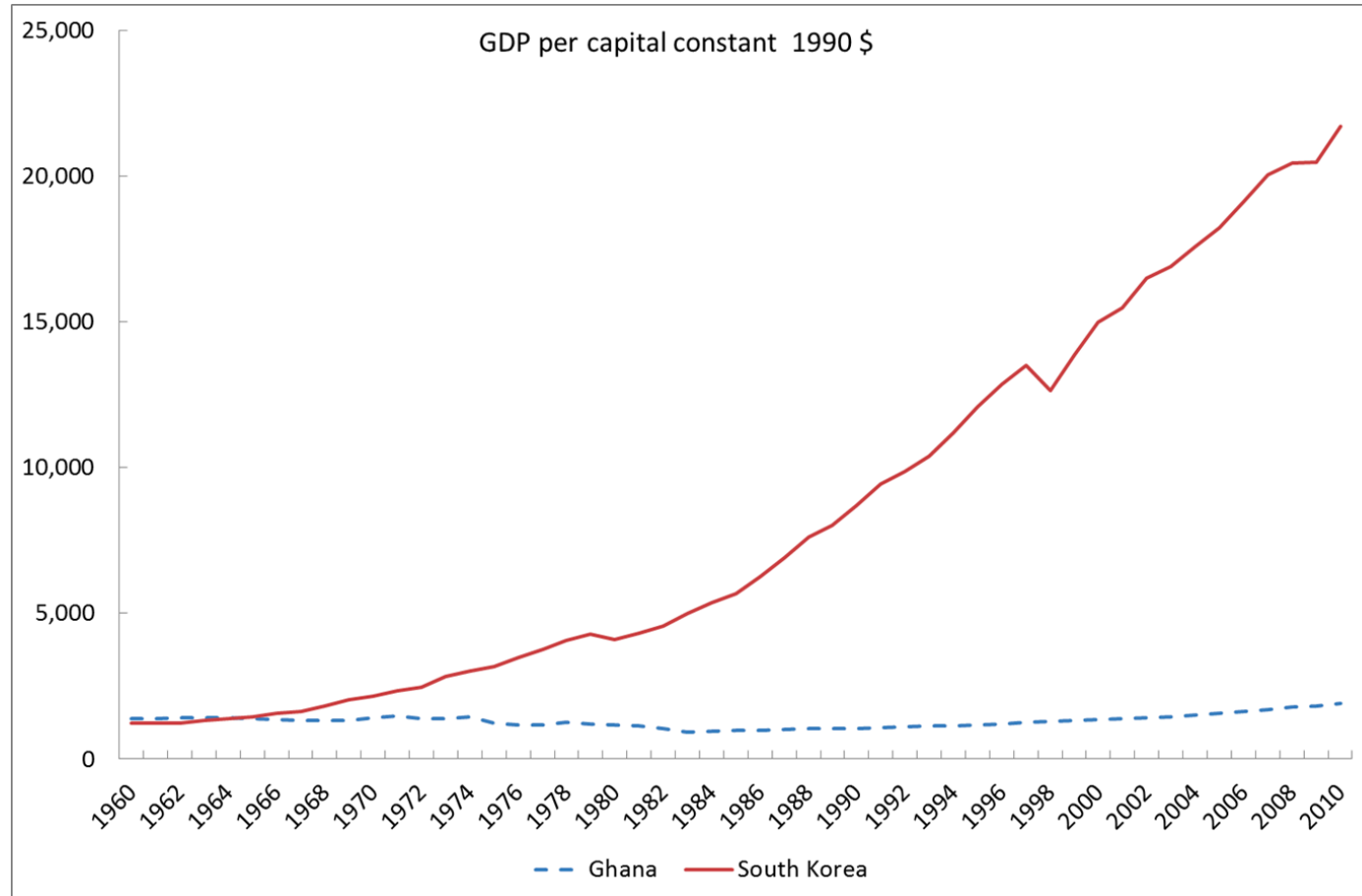
| | Rapid negative ($g < -0.05$) | Slow Negative ($-0.05 < g < 0$) | Positive ($0 < g < 0.05$) | Rapid positive ($g > 0.05$) |
|------------------------------|--|--|---|----------------------------------|
| Strong ($SC > 6.5$) | | BHR, BHS, BRN | CHL(0), SGP(0), KOR(0), QAT(0) | ARE(0) |
| 8 | 0 | 3 | 4 | 1 |
| Middle ($4 < SC < 6.5$) | MDA, GUY, IRN, PHL, LKA, MNG, ZAF, MAR, THA, NAM, TTO, ARG, CRI | PER, EGY, CHN, MEX, LBN, VNM, BRA, IND, JAM, SUR, PAN, CUB, TUN, JOR, OMN, MYS, KWT, ISR | KAZ(10,820), GHA (4,632), UKR(1,216), ARM(1,062), RUS (231), BWA(102), IDN (68), COL(56), TUR (55), DZA(55), ALB (42), SAU(28), URY (10), HRV(1) | |
| 45 | 13 | 18 | 14 | 0 |
| Weak ($2.5 < SC < 4$) | GIN, VEN, MDG, LBY, PNG, KEN, NIC, GTM, SYR, DOM, PRY, SEN, GMB, BLR | MLI, CMR, MOZ, BFA, HND, ECU, BOL, PAK, MWI, GAB, AZE, SLV | UGA(6,001), AGO (2,738), TZA(371), BGD(244), ETH(103), ZMB(96) | |
| 32 | 14 | 12 | 6 | 0 |
| Very weak ($SC < 2.5$) | YEM, ZWE, CIV | SOM, HTI, PRK, NGA, COG, TGO, MMR | SDN(7,270), SLE (333), ZAR(230), IRQ(92) | NER(66), GNB(61), LBR(33) |
| 17 | 3 | 7 | 4 | 3 |
| 102 | 30 | 40 | 28 | 4 |



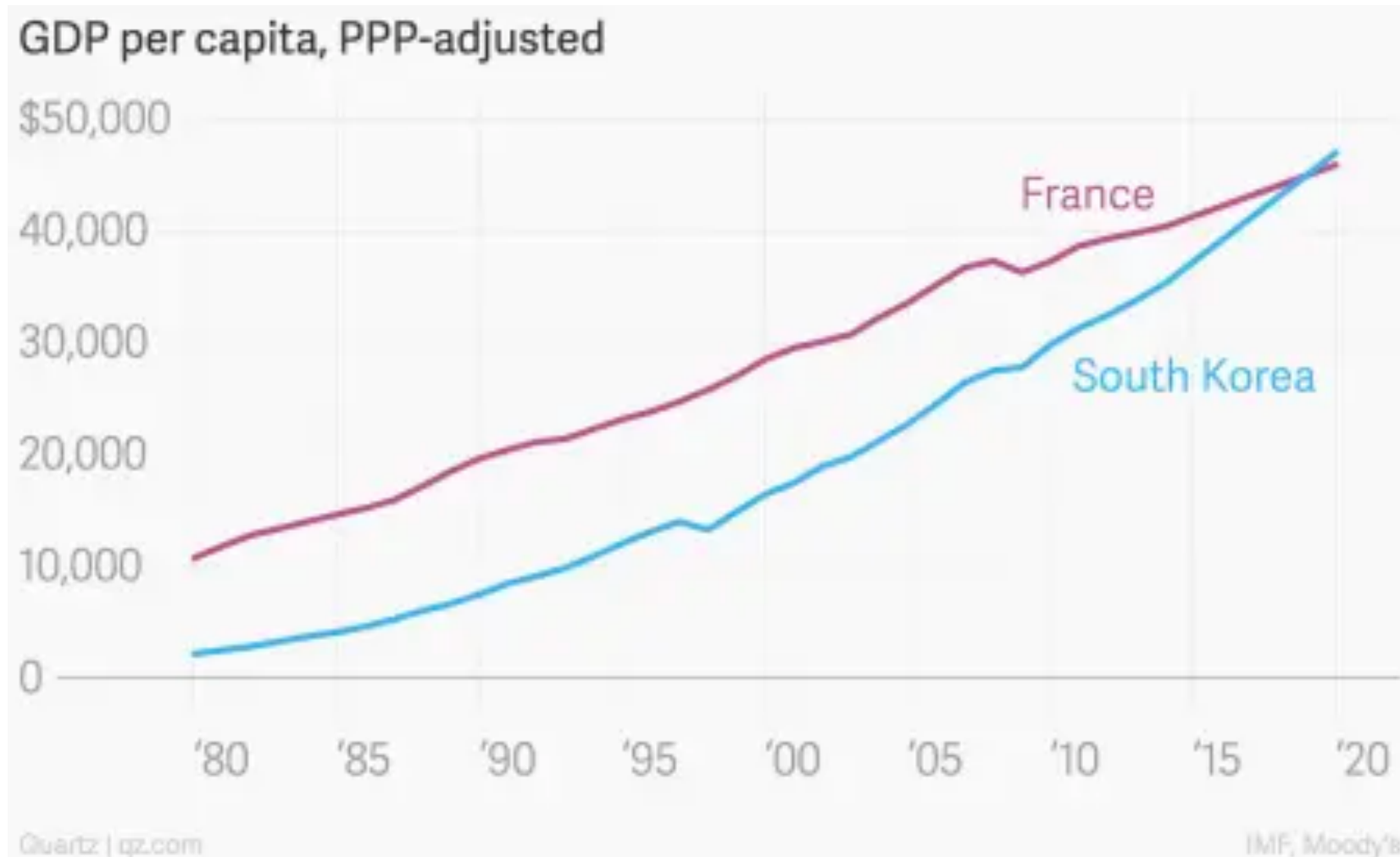
Economic and capacity development



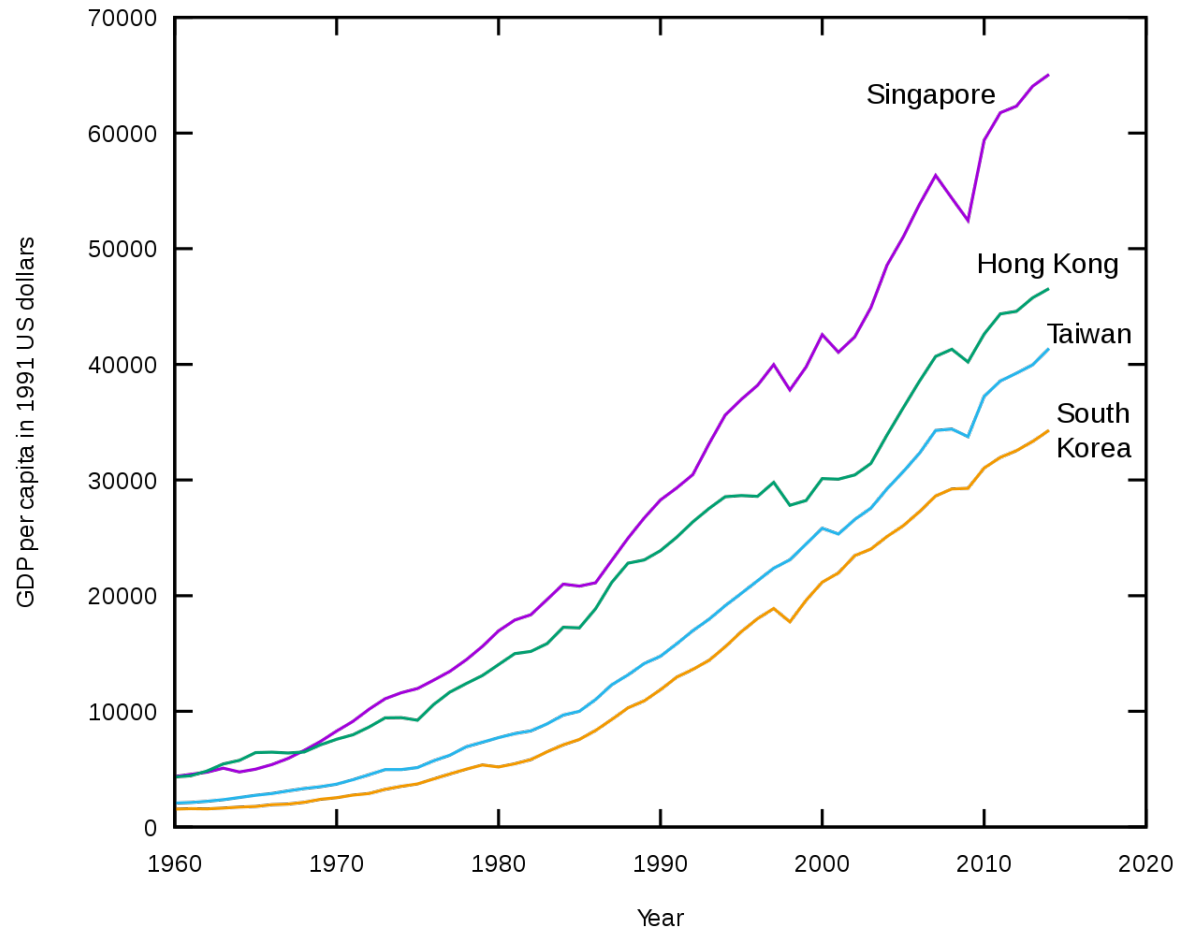
Economic and state capacity development



Economic and state capacity development



Asian Tigers



Developmental states

- Doner et al.:
 - “Organizational complexes in which expert and coherent bureaucratic agencies collaborate with organized private sectors to spur national economic transformation”
 - Doner, Richard F., Bryan K. Ritchie, and Dan Slater. 2005. “Systemic Vulnerability and the Origins of Developmental States: Northeast and Southeast Asia in Comparative Perspective.” *International Organization* 59: 327–61.

Developmental states

- State capacity and autonomy
- Collaboration of the state with the private sector
- State intervention in the economy, extensive regulation and planning
- Economic transformation through export-oriented industrialization

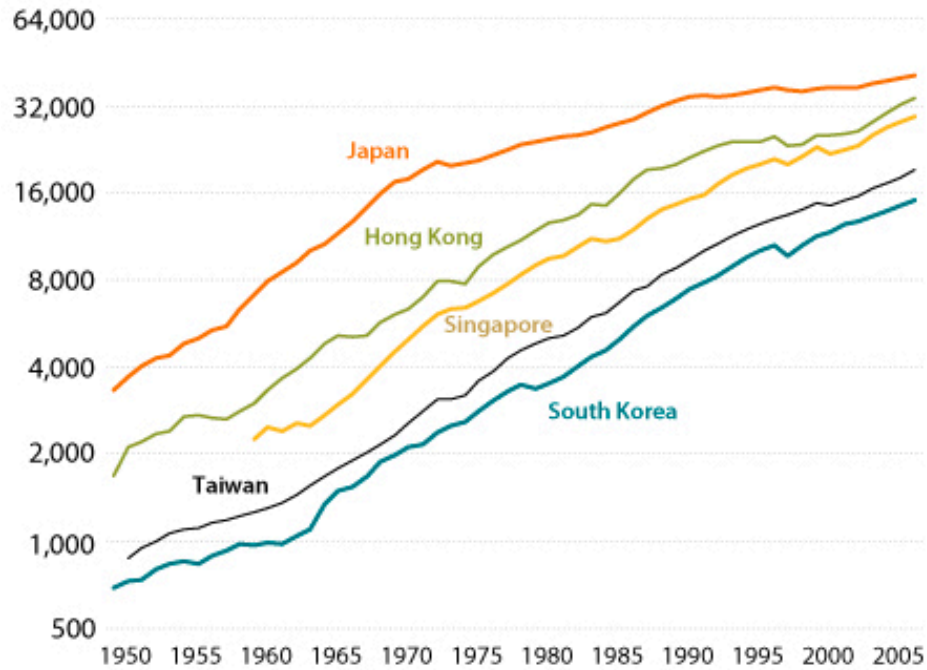
Explanations of developmental states' success

- Export-led industrialization
- Governed market
- State autonomy
- Embedded autonomy

Export-led industrialization

Figure 2
Per Capita GDP of East Asian Countries

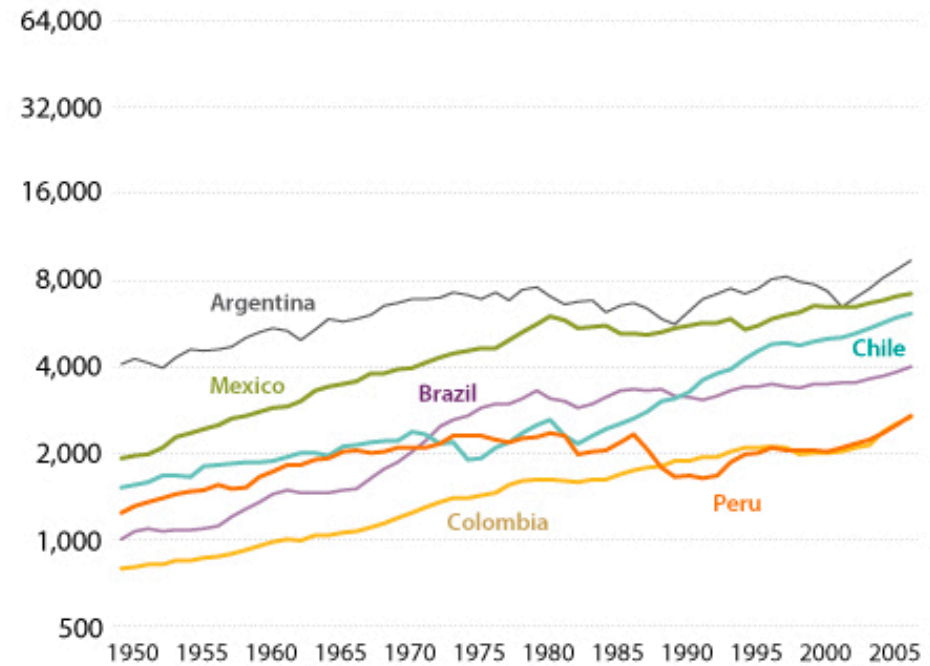
Constant 2000 U.S. Dollars



SOURCE: World Bank Global Development Indicators.

Figure 3
Per Capita GDP of Latin American Countries

Constant 2000 U.S. Dollars

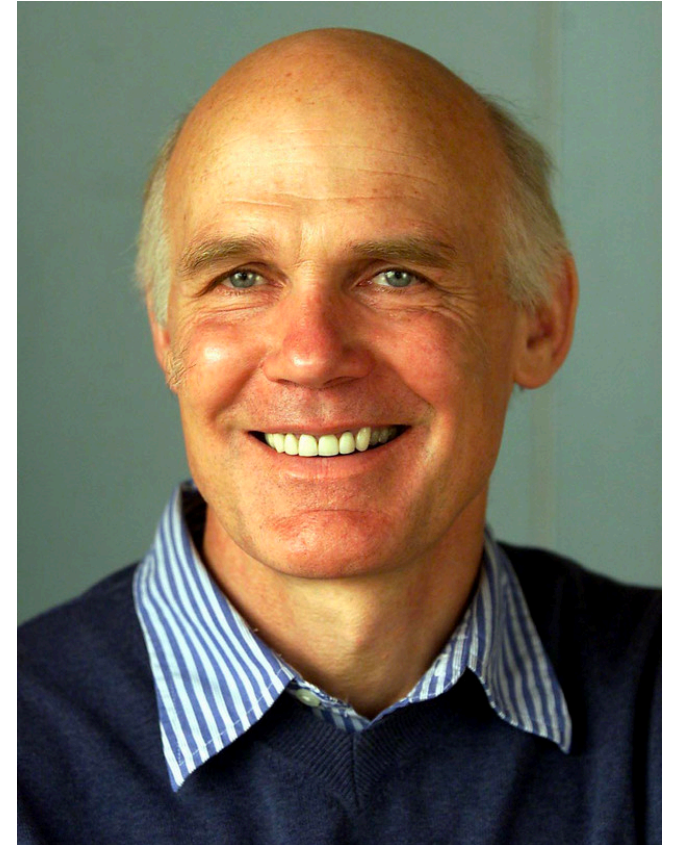


SOURCE: World Bank Global Development Indicators.

Wade's governed market

- State capacity +
- State-corporatist political arrangements —>
- High levels of productive investments
- Combination of protectionism with export orientation

- Wade, Robert. 1990. *Governing the Market*, Princeton, N.J.: Princeton University Press.



Kohli's state autonomy

- Concentration of power at the apex and use of state power to discipline society
- Authoritarianism
- Repression of labor
- Control over society

- Atul Kohli. 2004. *State-Directed Industrialization: Political Power and Industrialization in the Global Periphery*. Cambridge: Cambridge University Press.



Evans's embedded autonomy

- “*Autonomy* is fundamental to the definition of the developmental state but not sufficient. The ability to effect transformation depends on state-society relations as well. Autonomous states completely insulated from society could be very effective predators. Developmental states must be immersed in a dense network of ties that bind them to societal allies with transformational goals. *Embedded autonomy*, not just autonomy, gives the developmental state its efficacy.”

- Peter Evans. 1995. *Embedded Autonomy: States and Industrial Transformation*. Princeton: Princeton University Press.

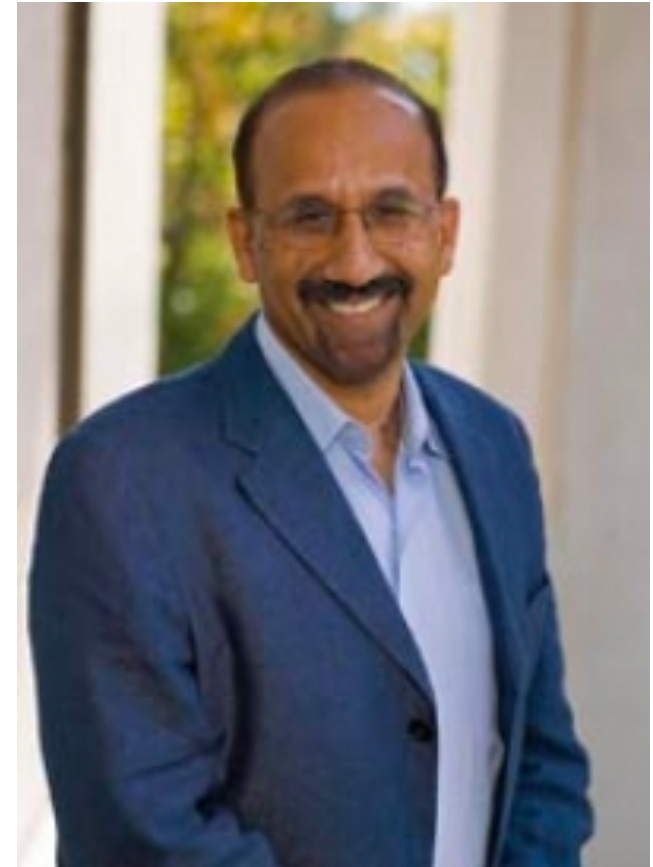


The origins of developmental states

- Colonialism
- Incentives

Kohli's colonial roots

- State institutions in developing countries as a product of colonialism:
 - Neopatrimonial states: e.g. Nigeria
 - Fragmented-multiclass states: e.g. India
 - Cohesive-capitalist states (developmental states): e.g. South Korea
 - Atul Kohli. 2004. *State-Directed Industrialization: Political Power and Industrialization in the Global Periphery*. Cambridge: Cambridge University Press.



Kohli's colonial roots

- Japanese colonialism as the source of South Korea's success:
 - Colonial-era transformation of the Korean state
 - Evolution of production-oriented alliances involving the state and dominant classes —>
 - Increase of the state's capacity to both control and transform —>
 - Manufacturing expansion
 - Systematic control (and brutal repression) of the lower classes by the state and dominant classes
 - Kohli, Atul. 1994. "Where Do High Growth Political Economies Come from? The Japanese Lineage of Korea's 'Developmental State.'" *World Development* 22(9): 1269–93.

Doner et al.'s incentives

- Investment in developmental institutional arrangements only when political elites confronted with 'systemic vulnerability'
- Systemic vulnerability in Singapore, South Korea, and Taiwan, but not in Indonesia, Malaysia, the Philippines, or Thailand

- Doner, Richard F., Bryan K. Ritchie, and Dan Slater. 2005. "Systemic Vulnerability and the Origins of Developmental States: Northeast and Southeast Asia in Comparative Perspective." *International Organization* 59: 327–61.

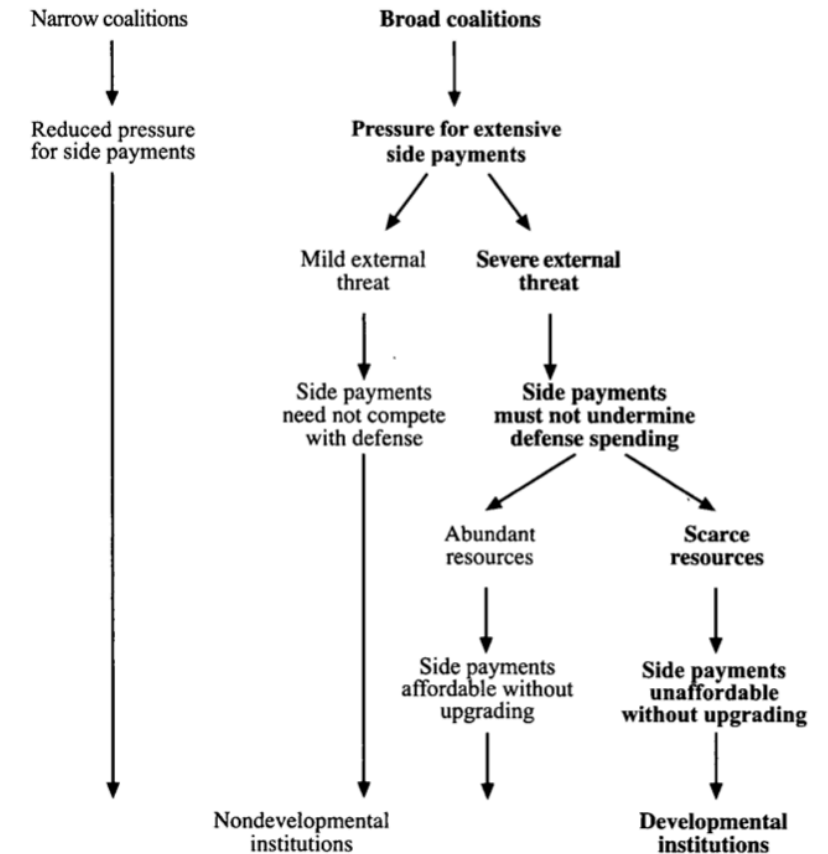


FIGURE 1. Argument flow

Developmental states vs. Asian tigers

Table 2. *Average growth rates 1967–80 of the best performing countries*

| Country | Average growth rate |
|-----------------------|---------------------|
| 1. Botswana | 14 |
| 2. Singapore | 10 |
| 3. Korea, Rep. | 10 |
| 4. Brazil | 9 |
| 5. Ecuador | 8 |
| 6. Gabon | 8 |
| 7. Hong Kong | 8 |
| 8. Dominican Republic | 7 |
| 9. Paraguay | 7 |
| 10. Lesotho | 7 |
| 11. Thailand | 7 |
| 12. Kenya | 7 |
| 13. Malaysia | 7 |
| 14. Cote d'Ivoire | 7 |
| 15. Indonesia | 7 |
| 16. Seychelles | 7 |
| 17. China | 7 |
| 18. Belize | 7 |
| 19. Mexico | 7 |
| 20. Swaziland | 6 |
| 21. Fiji | 6 |
| 22. Costa Rica | 6 |
| 23. Congo, Rep. | 6 |
| 24. Rwanda | 6 |
| 25. Guatemala | 6 |
| 26. Colombia | 6 |
| 27. Nigeria | 6 |

Source: Mkandawire, Thandika. 2001. "Thinking about Developmental States in Africa." *Cambridge Journal of Economics* 25 (3): 289–314.

Mkandawire's African developmental states

- Destruction of state capacity through structural adjustment policies

- Mkandawire, Thandika. 2001. "Thinking about Developmental States in Africa." *Cambridge Journal of Economics* 25 (3): 289–314.



Takeaways

- Successful recent construction of state capacity—and remarkable developmental success—in a select few *developmental states*, made possible by particular political conditions