

**The Developmental State Is Dead:  
Long Live the Developmental State!**

**Stephan Haggard**  
**Graduate School of International Relations and Pacific Studies**  
**University of California San Diego**

(Prepared for delivery at the 2013 Annual Meeting of the  
American Political Science Association, August 29-September 1, 2013.  
© Copyright by the American Political Science Association)

Chalmers Johnson's *MITI and the Japanese Miracle* (1982) rested on two core claims that have driven the surprisingly-resilient research program on the developmental state ever since.<sup>1</sup> The first was that Japan's rapid growth in the postwar period could be traced in part to industrial policies that differed from both the "plan ideological" systems of state socialism and the "regulatory state" of Anglo-Saxon capitalism. This branch of the research program attracted by far the most attention because it directly challenged liberal orthodoxy in the economics profession and development policy community. Led by outsiders to that community --Johnson, Alice Amsden (1989), Robert Wade (White and Wade 1984; Wade 1990/2004) and Ha-joon Chang (1994)--this line of thinking was subsequently brought into the economic mainstream to some extent by economists such as Dani Rodrik (1995) and Joseph Stiglitz (2001), who reiterated the microeconomic logic of state intervention.

The second strand of the developmental state approach probed the political foundations of rapid growth. Industrial policy in the developing world was ubiquitous, but not ubiquitously successful. What accounted for successful industrial policies—and the institutions capable of conducting them--in the first place? The developmental state literature is typically identified with an institutionalist approach to politics, focusing on the autonomy or insulation of the government from rent-seeking private interests, delegation to lead agencies, and coherent bureaucracies. But Johnson was acutely aware of the centrality of business-government relations to the Japanese model, and subsequent contributions by Peter Evans (1989, 1995) refocused debate on the social foundations of rapid growth.

This second face of the developmental state research agenda developed a particularly strong comparative historical component. The literature gradually moved beyond Japan and the paradigmatic Northeast Asian cases of Korea and Taiwan to the rapidly-growing countries of Southeast Asia and to comparator cases

---

<sup>1</sup> . For other reviews of the developmental state approach, see Onis 1991; Moon and Prasad 1994; Leftwich 1995; Woo-Cumings 1999, Haggard 2004, Routley 2012.

that were distinctly “non-developmental.” This comparative historical research agenda sought to identify the historical conditions for the emergence of rapid growth—and stagnation--through close consideration of a small number of cases.

What was theoretically and methodologically distinctive about the developmental state literature? The first feature that leaps out is deep engagement on the part of its protagonists with particular cases and what I call a “configurative” approach to causal explanation. In her well-known manifesto, Barbara Geddes (2003) challenges one claim of the developmental state literature—that the weakness of labor facilitated export-led growth strategies—by showing that the more general relationship between labor weakness and economic growth does not hold. According to Geddes, the developmental state literature had engaged in a virtually classic case of selection bias: drawing faulty inferences from cases selected on the dependent variable. And of course, the small-n comparative historical work considering whole countries always faced the classic degrees-of-freedom problem, with potentially significant variables far outnumbering the cases under consideration.

But scholars working on the developmental state had relatively modest presumptions about the ability to generate general law-like statements. Johnson (1987) cautiously extended his work on Japan to Taiwan and Korea because he believed the Japanese model diffused organically within the region (see also Cumings 1984). Although he offers a summary version of the Japanese model in the conclusion to *MITI* (315-324), he explicitly warned that while “it may be possible for another state to adopt Japan’s priorities and its high-growth system without duplicating Japan’s history...the dangers of institutional abstraction are as great as the potential advantages.” Rather than seeking to isolate the influence of discrete causal variables, Johnson and his followers showed how features of these polities and societies combined or were configured in efficacious ways. Claims about the effectiveness of any given component of the developmental state—such as the weakness of labor—were conditional on other features of the model.

A second closely related feature of the approach was an adversarial engagement with orthodox models advancing more general causal claims. Johnson

situated his plan rational model between state socialist and Anglo-Saxon economic models. But the exercise was not simply typological; Johnson, Wade, and Amsden believed that orthodox interpretations of East Asia's rapid growth were deeply flawed: descriptively, theoretically and methodologically. Neoclassical models were rooted in the claim that rapid growth was caused by the adoption of a complex of market-conforming policies, most particularly with respect to the external sector; thus the designation that these were cases of "export-led growth." But close empirical analyses of cases—what we might now call process tracing or causal process observation--suggested that these policies were not adopted to the extent believed, were combined with other interventions that did not fit prevailing theoretical models, and rested on other causal factors such institutions for resolving coordination problems. In retrospect, the developmental state approach resembles the "varieties of capitalism" approach to comparative historical research, in which the identification of types provided the basis for configurative causal argument and a critique of more generalized models.

A final characteristic of most of the developmental state work was that it took history seriously, and for theoretical reasons. A strong theme in Johnson's book is that historical analysis was required because successful strategies only emerged through a process of trial-and-error and learning-by-doing. Alice Amsden (2003) and Dani Rodrik (2008) elevated this observation into a virtual dictum about successful development more generally; that governments, societies and firms need to learn in order to grow. Historical work on the origins of developmental states often found them in deeply-rooted historical factors. These observations raised quite fundamental questions about the replicability of historical findings to other settings and the very nature of historical knowledge more generally.

The paper is divided into two major sections: the first on the relationship between intervention and growth; the second on the political sources of rapid economic development, including the question of origins of developmental states. In each section, I start with an outline of the theoretical rationale of the developmental state approach followed by a discussion of the evidence and methodological issues of interest to comparative historical analysis. The conclusion takes note of some of

the issues in the current revival of interest in the developmental state, and the question of replicability in particular. If high-growth episodes were ultimately path-dependent and anchored in long-run historical factors, then what possible lessons can be drawn from their study?

### **The Sources of Economic Growth: Policy**

The developmental state literature posed itself as an alternative to an emerging neoclassical consensus in development economics. Prior to the appearance of Johnson's book and continuing through the appearance of Wade's, a succession of studies by Anne Krueger, Jagdish Bhagwati, and Bela Balassa among others had offered up a neoclassical interpretation of the East Asia's rapid growth. This work emphasized stable macroeconomic policies, market-oriented reforms, and trade and exchange rate policy in particular. The implications of this advocacy of export-led growth were hardly limited to the academy. The neo-classical canon on export-led growth influenced the international financial institutions and provided the key empirical referent for the Washington consensus.<sup>2</sup>

Written a decade prior to the collapse of the Soviet Union, Johnson was responding to an earlier variant of this literature on Japan (eg. Patrick and Rosovsky 1976).<sup>3</sup> Johnson framed *MITI and the Japanese Miracle* in terms of a distinction between the plan-ideological systems of state socialism and two varieties of contemporary capitalism: market-rational and plan-rational systems. The fundamental distinction between the latter two was the arms-length regulatory nature of market-rational economies and the more purposive, goal-directed and

---

<sup>2</sup> . When the World Bank (1993) finally did its own review of the East Asian miracle--at Japanese urging--the report downplayed the role of industrial policy, setting off a heated debate over both the substance of the report and the process through which its conclusions were reached (Amsden 1994; Wade 1996; Aoki, Kim and Okuno-Fujiwara 1996).

<sup>3</sup> . The Patrick and Rosovsky book was titled *Asia's New Giant*; Amsden's book on Korea *Asia's Next Giant*.

thus “developmental” nature of plan-rational systems.<sup>4</sup> Johnson is cautious in making causal claims with respect to industrial policy, and notes the checkered history of state control of industry, government intervention and the ongoing trial-and-error nature of industrial policy. Nonetheless, core theoretical insight is that the process of economic development is characterized by a myriad of market failures that can only be solved through government intervention, coordination and institutions.

### *The Logic of Industrial Policy*

Robert Wade’s close study of Taiwan--*Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization* (1990, 2<sup>nd</sup> edition 2004)<sup>5</sup>—and the work of Ha-Joong Chang (1994) on Korea sought to give Johnson’s broad approach more structure by outlining the policy elements of the “governed market” or GM theory in more detail. The GM theory, Wade argued, “emphasizes capital accumulation as the principal general force for growth, and interprets superior East Asian performance as the result of a level and composition of investment different from what FM [free market]...policies would have produced, and different, too, from what the “interventionist” economic policies pursued by many other LDCs would have produced” (p. 29).<sup>6</sup> But sheer accumulation was not the centerpiece of Wade’s story, which rested more fundamentally on market failures (pp. 11-14, 350-58; see also Chang 1994). In effect, the GM theory interpreted the challenge of growth to reside in coordination problem that private actors cannot resolve efficiently through private contracting and exchange.

---

<sup>4</sup> . Throughout its life, the developmental state literature has been accused of a kind of tautology: that developmental states were little more than those that grew rapidly. Johnson rightly notes that the concept is related to a particular type of purposive state action that seeks particular growth and industrial-structural outcomes; the question of whether these efforts are successful requires explanation.

<sup>5</sup> . Citations to Wade are to the second edition.

<sup>6</sup> . The GM theory thus anticipated an important set of arguments that emerged in the mid-1990s that capital accumulation—rather than either liberalizing reform or industrial policy--was at the core of the East Asian miracle (Krugman 1994).

Three kinds of coordination problems received particular attention: those that arise in moving from agriculture to industry and within industry; those associated with financial markets; and issues surrounding the transfer and adoption of technology. Wade's dominant line of argument parallels Johnson and a group of Japanese analysts (for example, Aoki, Kim and Okuno-Fujiwara 1996; Rodrik 1995 for a formal model) in focusing on coordination problems in the industrial sector. Efficient investment can be deterred by small market size and the absence of complementary suppliers or customers. Current market prices will not adequately convey information about future growth, and countries thus forego investments that would lower production costs through larger plant size and learning effects; thus Alice Amsden's (1989) infamous dictum that the East Asian countries succeeded not by "getting prices right," but by "getting prices wrong." If information is appropriately shared among government and the private sector and firm behavior subsequently monitored, subsidies, protection, and other incentives to private business could overcome these collective action problems and thus push an economy from a bad to a good equilibrium (see Khan and Sundaram 2000 on the positive role of subsidies or "rents" in particular).

Such coordination problems are often assumed to arise primarily in the heavy intermediate sectors such as steel and petrochemicals but coordination problems also emerged in light industries seeking to enter world markets and in more technology-intensive industries as well. In a widely-read PhD dissertation, sociologist Thomas Gold (1981) documented the role of the government in Taiwan in coordinating complementary investments in the textile industry. Kuo (1995) and Noble (1999) offered comparative historical analyses of Taiwan and the Philippines and Japan and Taiwan respectively that used detailed industry studies to tease out these coordination issues at the sectoral level.

A second theoretical rationale for intervention centers on failures in capital markets, and provided one area where heterodox economists—including Nobel Laureate Joseph Stiglitz (Hellman, Murdock and Stiglitz 1996)—entered the debate. Meredith Woo-Cumings' (1991) book on Korea is exemplary of comparative historical work in this vein. Woo-Cumings argued that the financial sector allowed

the government to both steer investment and exercise political control over the private sector.

A third rationale for industrial policy centers on technology. Alice Amsden (1989, 1991, 2003) and Peter Evans (1995) were most closely associated with this focus, but it is visible in more heterodox economists as well (Kim 1997). Explicitly following Gershenkron, Amsden draws a distinction between the early developers, which grew as a result of their own innovation, and late-comers such as Korea that grew through technological borrowing and learning. Amsden frontally attacked the idea that latecomers can successfully borrow by focusing on comparative advantage in labor-intensive industries alone; market failures abound. Developing country firms lack full information on technological alternatives, function with imperfect information on the technologies they do acquire, and are subject to variable, unpredictable, and highly path-dependent learning processes. Incomplete appropriability leads to underinvestment in research and development (R&D), foregoing the many externalities that arise around R&D activities.

#### *Method in the Analysis of Industrial Policy: the Role of History and Counterfactuals*

A surprisingly common research design in the literature on industrial policy is to pick a successful (or unsuccessful) industry, demonstrate that policy support existed, and conclude that the case for the significance of industrial policy is made (or rejected). Wade recognized this problem explicitly (2004, 29-33, 71-72, 109) and outlined a counterfactual strategy that other comparative historical work explicitly or implicitly emulated. First, sector-specific policies—not only broad, functional ones—must not only be plausibly associated with the success of the industry in question but must yield outcomes equal or superior to a more market-conforming policy alternative. Moreover, Wade goes farther by arguing that intervention must not be simply the result of private-sector demands or interests (what Wade calls “followership”); if they were, then the investments in question might have taken place anyway. Rather, intervention must reflect “leadership” by



the state that puts the evolution of the industrial structure or a particular industry on a different path than it would have otherwise taken.

The alternative to this complex counterfactual analysis would appear to be straightforward: to examine industry-level data within a given country to determine if those that received policy support surpassed others on some metric, such as total factor productivity (TFP), export growth, or profitability. The World Bank *Miracle* report (1993) purports to conduct some tests along these lines—although they are hard to follow (Amsden 1994)—and Noland and Pack (2003) provide a skeptical overview drawing on the surprisingly small number of econometric studies in this vein. In a recent review, however, Rodrik (2007) outlines clearly why these efforts do not escape the fundamental dilemmas of the counterfactual analysis undertaken by Wade:

“The almost insurmountable flaw in this literature is that the key estimated coefficient [on industrial policy] ...cannot discriminate between two radically different views of the world: (a) the government uses industrial policy for political or other inappropriate ends, and its support ends up going to losers rather than winners; (b) the government optimally targets the sectors that are the most deserving of support, and does its job as well as it possibly can in a second-best policy environment. Under (a) governments should commit to a hands-off policy. Under (b) a hands-off approach would leave the economy worse off...The empirical analysis leaves us no better informed than when we started.”

These problems are compounded by the fact that the causal claims about industrial policy in the comparative historical literature are typically posed in a more contingent and contextual way. For Johnson, industrial policy worked because of identifiable path dependencies and learning. Moreover, growth rested on political relationships and institutions that coordinated, monitored and disciplined rent-seeking that may have ante-dated the policies in question. For example, Haggard (1990) placed more emphasis on the effect of neoclassical reforms than others in

the developmental state tradition. However, he argues that these reforms only had effect because prior interventionist policies-- some going back to the Japanese era in Korea and Taiwan--had developed firm-level capabilities, a theme in Amsden (1989) and Chang (1994, 2003) as well. The shift to export-led growth must be understood not simply as the result of policy change, but as the contingent outcome of accumulated capital—both physical and human—as well as government-, firm- and individual-level learning. Sequencing, in short history, mattered.

### **From Policy to Politics: Institutional, Coalitional and Historical Foundations of the Developmental State**

The developmental state literature did not only challenge neoclassical economic orthodoxy; it also developed a line of reasoning about economic growth that ran counter to prevailing political economy models as well. The dominant political-institutional model of growth in economics and political science focuses on property rights, the rule of law and checks on state power (Barzel 1997; Weingast 1995, 1997; Haggard, MacIntyre and Tiede 2008 for a review). The growth miracles in East Asia occurred during relatively long periods of political dominance by conservative parties or elites that might have mitigated property rights challenges emanating from the left.<sup>7</sup> But the nature of these political regimes suggests the deeply anomalous quality of Asia's growth: it is hardly a region characterized by strong checks on state power, well-developed rule of law, independent judiciaries or codified property rights. Either informal institutions protected property rights or altogether different political mechanisms must have been at work (Chan 2000, Ginsburg 2000).

A clear statement of the political model undergirding the developmental state is surprisingly hard to find. Nonetheless, the research tradition rested on two,

---

<sup>7</sup>. These include the Liberal Democratic Party (LDP), Kuomintang (KMT), and People's Action Party (PAP) in Japan, Taiwan, and Singapore, respectively; Park Chung Hee, Soeharto, and Mahathir in Korea, Indonesia, and Malaysia; the British colonial administration in Hong Kong; and a surprisingly stable alliance of king, military, and bureaucracy in Thailand

inter-linked political observations, one centered on the state, the second on the relationship between the government, the private sector and other social forces, including labor. On the one hand, developmental states were characterized by substantial delegation to executives and in turn from executives to capable and appropriately-incentivized bureaucracies. Johnson's view of the Japanese polity, for example, rested on the controversial assertion—which generated its own revisionist backlash—that politicians reined but that bureaucrats ultimately ruled. On the other hand, the developmental state was politically insulated from social forces that might distract from its accumulationist and industrial policy aims, including not only the left and working class but the private sector itself. In Alice Amsden's felicitous phrase, a key feature of the developmental state was its capacity to “discipline” the private sector.

What is the underlying theory that would justify a focus on a state that is centralized, internally coherent and politically insulated? The answers trace back to the core mechanisms that generate long-run growth. In a simple accounting sense, economic development can result from productive inputs—capital and labor—or from greater efficiency in their use. Early growth accounting suggested that virtually all of Asia's growth could be explained by sheer accumulation (Krugman 1994). This view is still contested, but the first task of any political economy of the region is to account for rapid accumulation.

But accumulation should not yield high-growth if allocated inefficiently. Even advocates of industrial policy argued for policies that were in conformity with “dynamic comparative advantage.” But the policy status quo in many developing countries is characterized not only by economic distortions--high and erratic inflation, overvalued exchange rates, misaligned prices—but by the political economy and rent-seeking that give rise to such policies in the first place. The second political economy problem is thus one of reform and transition; how to move policy from a low-growth to a high-growth policy environment.

*Political Institutions, Big and Small: Regime Type and Bureaucracy*

So what features of the state mattered for rapid growth exactly? Johnson was clear that Japan's autonomous developmental state was forged under semi-democratic and authoritarian rule, but he was ambivalent about whether authoritarian rule was a necessary condition for its development and success; Japan was at least nominally democratic in the early postwar period. As the developmental state literature migrated away from Japan to the newly industrializing countries—Korea, Taiwan, Hong Kong and Singapore—the question was quickly joined (Cheng 1990; Haggard 1990). There were several routes from authoritarian rule to growth. Since capital accumulation demands that resources be diverted from consumption to investment, voters (or the poor or labor, depending on the precise specification) are likely to oppose such a reallocation; as Huntington and Nelson (1976) had argued much earlier, participation generates tradeoffs. The second route, and the one I took (Haggard 1990), focused on economic reform. Dictators can overcome collective action problems inside and outside the government that hinder the formulation of coherent policy, override rent-seeking and populist pressures, and thus push the economy onto a more efficient growth path. I was particularly interested in underlining the irony that all of the governments that undertook reforms in the region—the darlings of the neoclassical approach--were authoritarian, a finding some intellectuals in the region—most notably in Singapore—actually embraced.

The finding of a link between authoritarianism and growth clearly didn't generalize. In 2000, Adam Przeworski and his colleagues found that controlling for income and a number of other variables, regime type had no effect on investment, the growth rate of the capital stock, or overall income growth; this finding also held when limiting the test to a sample of developing countries. Although these findings would appear to overturn the authoritarian hypotheses, another important result in the book merely recast it. Przeworski et. al. found that the standard deviation of growth in the sample of dictatorships is much larger than in the democracies, confirming that autocracies encompass both high-growth "miracles" such as those found in East Asia and low-growth "debacles." The failure to directly address the puzzle of why some authoritarian regimes grew rapidly while others crashed and

burned was a drawback of the method of focusing on a high-growth region; this shortcoming subsequently motivated the cross-regional work by Evans (1995), Kohli (2004), Doner, Slater and Ritchie (2005) and others on historical origins that I take up in the next section.

The other piece of the developmental state construct—and the one that preoccupied Johnson—was the bureaucracy. Regime type and politicians more generally mattered much less to Johnson than the bureaucratic agencies that had been granted, developed or simply seized capabilities that allowed independence from politicians. Internally, such agencies were motivated by clear missions and run on meritocratic principles with strong internal systems of both rewards (such as competitive pay and long-term career tracks) and controls (sanctions for corruption). These characteristics also served to insulate the bureaucracy from political or private sector manipulation.

In an innovative study drawing on expert evaluation and growing directly out of the developmental state tradition, Evans and Rauch (2000) found that the “Weberianness” of the bureaucracy was associated with growth in a cross section of thirty-five developing countries. Case-study work finds that economic reforms in the region were typically accompanied by major bureaucratic reorganizations that concentrated economic decision-making authority in one or several lead agencies, strengthened the role of technocrats in formulating policy, and reformed internal bureaucratic routines (Kim 1987; Haggard 1990; Cheng, Haggard and Kang 1998). Reform of the bureaucracy did not typically reach the entire administrative apparatus. Pockets of bureaucratic efficiency coexisted with ministries that dispensed pork and political favors even in the Northeast Asian developmental states (Kang 2002a, 2002b); such payoffs may have been the price for wider reforms. Nonetheless, all of the high-growth Asian countries had at least some core economic ministries and/or specialized agencies with important policy-making powers that looked Weberian.

The relationship between politicians and bureaucrats in Japan’s economic decision-making ended up being one of the most disputed features of Johnson’s book, at least among scholars of Japan. Virtually from the moment it was published,

amendments began noting the role either that politicians or private sector actors played in policy formulation (Krauss and Murimatsu 1984; Samuels 1987; Okimoto; Calder 1993; Noble 1998). The most blunt challenge was posed by Ramseyer and Rosenbluth (1993), who argued that Johnson's much-vaunted bureaucrats were little more than marionettes ("agents") of the LDP. With the benefit of hindsight, the debate seems somewhat stilted. Johnson was hardly a culturalist and sought to outline the political and administrative rationality of the plan rational state. And it doesn't take much work to show that asymmetric information and a host of other imperfections can upset the just-so delegation story advanced by the "ratchos." However, the rational choice critique was clearly onto something important. As the developmental state model was extended to authoritarian regimes beyond Japan, it seemed particularly odd to think that bureaucrats enjoyed independence from political elites. Rather, bureaucracies were clearly instruments of authoritarian rulers, reformed not to ensure their independence but to assure their loyalty to the leadership in the pursuit of some broader political project; this crucial observation led quickly back to state-society relations.

### *The Social Foundations of Developmental States*

From its inception, a central critique of the developmental state approach was its excessive focus on political institutions and its relative neglect of business (Doner 1991; MacIntyre 1994; Evans 1995; Fields 1995; Moon and Prasad 1997; E. M. Kim 1997; Chan, Clark, and Lam 1998; Jayasuriya 2005). Recall that the concept of the plan rational—as opposed to plan-ideological—state assumed a mixed economy and the presence of a private sector that had to be incentivized to invest. Also recall that the property rights model did not appear to comport with the East Asian experience on its face. Authoritarian regimes backed by strong bureaucracies should lack credible checks on executive discretion and therefore suffer from credibility problems in protecting property rights and eliciting investment from the private sector. Yet the developmental state also did not succumb to unbridled rent-seeking; as neoclassical models implicitly assumed, the ability to cut through such

rent-seeking was a distinctive feature of the model. How to square a state that was strong, but not predatory; credible to the private sector but not captured.

Alice Amsden stated the general political problem most clearly: that just as neoclassical models had a private sector problem in the form of rent-seeking, so private sector capture could distort the allocation of necessary subsidies from their developmental purposes. The solution—and for Amsden the defining political feature of the East Asian developmental states—was their ability to “discipline” business:

“In slower-growing late-industrializing regions, subsidies have tended to be allocated according to the principle of giveaway, in what has amounted to a free-for-all. In East Asia, beginning with Japan, there has been a greater tendency for subsidies to be dispensed according to the principle of reciprocity, in exchange for concrete performance standards with respect to output, exports, and eventually, R&D.

For example, the government in South Korea disciplined its big business groups by means of price ceilings, controls on capital flight, and incentives that made diversification into new industries contingent on performing well in old ones.” (Amsden 1991, 284)

If rents are extended to help solve any of the coordination problems outlined in the previous section, they must be conditional. Governments must define the objectives of the rent in terms of some discernible market failure or externality and monitor rent recipients; clearly bureaucratic capacity matters in this regard. But they must also credibly commit to withdraw rents for non-compliance or non-performance (Amsden 2001, 8; The World Bank 1993; Aoki, Murdock, and Okuno-Fujiwara 1996). If governments cannot credibly punish firms for non-compliance, business will exploit the government in the standard way outlined by theories of moral hazard.

Answering this question required thinking about alternative ways—outside the standard property rights model—that governments could send credible signals

to private actors while constraining their rent-seeking and self-regarding behavior. At the more spare end of this puzzling, Grabowski (1994, 1997) and Huff, Dewit, and Oughton (2001) formally modeled relations between a developmental state and the private sector as a signaling game in which the government proves its credibility to the private sector by complementary investments that elicit private investment; the point is easily extended to the distribution of subsidies or rents (Khan and Sundaram 2000). Kang (2001a, 2001b) talked about a “mutual hostage” relationship in Korea that bounded both state predation and private corruption. The state wielded adequate instruments—for example through finance—to exert power over business. But an increasingly concentrated private sector ultimately controlled investment and production, which were crucial for the regime’s instrumental strategy of legitimation. In sum, industrial policy could be seen not only through the lens of its *economic* effects, but as a *political* signal of government intent.

The idea that institutions could help solve these signaling, credible commitment and monitoring problems was clear in principle; the question was to articulate more sharply how it really worked. One answer, emphasized by the institutionalists, was that state structure itself was a key determinant of the business-government relationship. At least partly motivated by the East Asian experience, Schleifer and Vishney (1993) provided an influential model of corruption that outlined why centralization of state structures mattered; the approach was subsequently picked up by both Kang (2002a, 2002b) and MacIntyre (2003) in their “second generation” analyses of the Korean case and Southeast Asia’s response to the debt crisis. Rent-seekers demand a range of complementary government-supplied goods. If the state is highly decentralized, different branches of government, ministries, or bureaus pursue their own interests, pushing the cost of government-supplied goods to a suboptimal level and introducing uncertainty over property rights in those rents. Political centralization does not eliminate corruption, but bounds it by solving these collective action problems, pricing rents at an “appropriate” level, and providing security of property rights.

Somewhat similar arguments were made about the internal coherence of the bureaucracy. In the previous section, I emphasized the role that bureaucratic reform



played in signaling commitment and improving the overall quality of policy. But meritocratic recruitment and promotion, adequate compensation, and career paths with clear rewards at the top are also important for controlling rent-seeking as well. Evans (1995) in particular argued that the internal coherence of the bureaucracy was the key factor allowing “embeddedness” to occur without degenerating into inefficient rent-seeking. The case-study work on industrial policy repeatedly returns to the significance of independent bureaucratic capabilities and information as a condition for effective governance.

Yet this focus on the state still left open the question of how state actors actually interacted with the private sector and to what effect. A significant strand of research on East Asian development, including Campos and Root (1996), Root (1996) and the World Bank’s own miracle report (1993) developed the argument that “deliberation councils” linking business and government played an important role in resolving credibility problems associated with authoritarian rule and building trust between the public and private sectors. Evans (1995), Maxfield and Schneider (1997), Weiss (1998), and Moon and Prasad (1999) all cast the argument in more general terms, claiming that a complex of both formal and informal networks between the public and private sectors played a role in economic growth. In Evans’ (1995) felicitous phrase, the East Asian state was characterized by “embedded autonomy”: strong political and bureaucratic institutions that simultaneously maintained dense ties with the private sector but had adequate independence to control the business-state nexus. Root (1996, 12) explains how it worked by reference to an implicit model of costly signaling:

“Tying the fortunes of many groups to the continued use of the cooperative decision-making structures raises the cost of altering the system *ex post*. Once councils permeate an economy, a government that unilaterally imposes its will on an industry or sector will risk undermining the value of councils for other groups, thus subverting the entire system of cooperative decision-making. Government, then, is unlikely to abide only by those decisions it prefers, overturning those it opposes....By institutionalizing deliberative

councils, government reduces its discretionary power but gains the confidence of business in the stability of agreed upon policies.”

The existence and operation of such councils is thoroughly documented for Japan by Johnson (1982), Okimoto (1989) and others in the developmental state vein. The early Korean experience of export-promotion meetings chaired personally by Park Chung Hee is also a frequently used example. Yet as we move beyond these two Northeast Asian cases, the evidence thins. The Southeast Asia cases also experienced rapid growth but did not appear to have similar levels or types of state intervention as their Northeast Asian counterparts nor the institutions of coordination (MacIntyre 1994; Jomo et. al. 1997). Moreover, empirical studies of the region raised serious doubts about the capacity of Southeast Asian states to “discipline” their private sector constituents. In Malaysia, consultative institutions at the federal level did not appear until 1991, when Mahathir’s “Look East” campaign sought to emulate the Northeast Asian NICs. Yet in a succession of outstanding studies, Gomez (1991; Jomo and Gomez 1997) detailed how this period was the high point of corruption, cronyism, and the interpenetration of government, state, and party. In his 1994 study of business-government relations in Asia, MacIntyre (1994) stated the claim more generally: the Southeast Asian countries simply do not fit models of business-government relations derived from the Northeast Asian cases.

In sum, the developmental state literature innovated not only with respect to policy but in thinking about politics and institutions might incentivize growth. In contrast to political models that emphasized checks on state power, the rule of law and property rights, the developmental state model emphasized strong or “insulated” states, coherent bureaucracies and institutionalized business-government relations that checked rent-seeking or at least made it conditional on performance. But sifting through the particularities frequently revealed tremendous variation across cases, including not only between the Northeast and Southeast Asian cases but among Japan, Korea and Taiwan as well. Was it possible that the taproot of growth did not lie in these institutional relationships, but in something more fundamental such as

longer-run features of state-society relations? And even if institutions mattered, where did they come from? These questions were raised by an important second-generation of work on the origins of developmental states.

*Origins: The Historical Foundations of Developmental and Other States*

Much of the pioneering work on the developmental state took the form of country case studies. The small-n, cross-regional comparisons that characterized the “origins” literature had a crucial methodological advantage: they compared the high-growth East Asian cases to countries that had more mixed records or that had failed to grow over long periods of time (Waldner 1999; Kang 2002a; Kohli 2004; Doner, Slater and Ritchie 2005; Vu 2007, 2010). The historical literature had broadly the same agenda as the political theories we have outlined in the foregoing sections, looking at the role of strong states and the social foundations of long-run growth. However, they raised the crucial question of where these states and social relations came from in the first place. In doing so, the debate on origins raised a number of central questions in comparative historical analysis: the role of more distal vs. proximate causes; the question of continuity and path dependence in institutional structures; and the question of case selection and causal inference.

Colonialism was a natural place to start. Cumings (1984) had noted the Japanese colonial origins of the developmental states in Taiwan and Korea. Kohli (2004) generalized the argument and tied the literature on the developmental state into the wider debate on state formation. State structures, Kohli argued, were the product of unusual concentrations of power and coercive capability; they did not suddenly appear in response to the functional demands of some development strategy. Once put in place, “core institutional characteristics acquired during colonial rule have also proved difficult to alter. Anti-colonial nationalist movements were one potential organized force capable of altering the basic state forms inherited from colonialism,” but for the most part such movements in Asia and Africa “were too superficial and/or fragmented to alter the inherited state forms decisively” (Kohli 2004, 17). Subsequent state forms—cohesive-capitalist states,

fragmented-multiclass states and neopatrimonial states—were thus the products of different types of colonial rule, with the Japanese establishing coherent bureaucracies, strong ties to private actors, and a massive repressive apparatus for dealing with class challenges from below.

At the other extreme, Nigeria was ruled by the British “on the cheap,” with indirect rule resulting in the persistence of personalist and patrimonial relations that failed to centralize or even develop the capacity to extract taxes. In an interesting contrast to Acemoglu, Johnson and Robinson’s (2001) widely-cited work, European colonialism in Africa had adverse long-run effects on growth not because it preyed on native populations and failed to protect property rights but because it never developed adequate capacity to establish the institutional framework required for development; this theme has recurred strongly in the recent developmental state revival. As with Evans, Kohli notes intermediate cases: the Indian nationalist movement altered British colonial structures to certain extent, and the Estado Novo (1937-1945) and period of military rule (1964-84) reflected periods of state “hardening.” But “the power of landed oligarchs, a weak central government with a patrimonial bureaucracy, and the prevalence throughout the country of decentralized and despotic political units that rested on patronage and private use of force were characteristics acquired during the colonial period—characteristics that lingered for at least a century after decolonization and even beyond.”

Kohli’s story raised classic questions of the nature of historical explanation. How, for example, do we square the disadvantages that Brazil appeared to inherit with its very high growth in the full half-century prior to the debt crisis of the 1980s? And how do we square Japan’s developmental state institutions during the colonial period with the weak performance of the Korean economy in the first post-colonial decade? (Haggard, Kang and Moon 1997). Were we searching too far back in history to locate sources of economic performance that appeared to be more proximate? Nonetheless, if we simply tweak the argument to note that such institutional legacies were a necessary but not sufficient condition for subsequent growth—making the argument more configurative—it gains plausibility; as with

Johnson's account of Japan, the analysis of the "long duree" must be coupled with an understanding of how inherited institutions are subsequently reoriented or reconfigured to achieve developmental aims that would be impossible in their absence.

Not all of the literature went back to colonial origins; others focused primarily on developments in the 20<sup>th</sup> century. The literature by economists on the East Asian experience drew a comparison between stylized import-substituting and export-oriented growth paths; as a result, the comparison between the East Asian cases and the middle-income countries of Latin America was a natural focus (Evans 1987, Haggard 1990, Gereffi and Wyman 1990). Why did import-substitution persist and "deepen" in Latin America while the East Asian countries shifted course toward greater reliance on exports?<sup>8</sup>

Haggard (1990) looked at the interaction of size, external shocks and the nature of the state's relationship with key social forces. In the face of external shocks, larger developing countries, and particularly those with a natural resource base, could continue financing ISI despite the constraints it placed on exports; they were more likely to move into secondary import-substitution ("deepening") than smaller countries pursuing ISI that lacked natural resources and did not have similar domestic-market opportunities. Haggard noted that the shocks of interest in the East Asian cases included a precipitous decline in aid in the canonical cases of Korea and Taiwan, a shock that triggered a scramble for new sources of foreign exchange in exports, foreign investment and borrowing. Doner, Slater and Ritchie (2005) similarly noted that foreign exchange and revenue constraints—including those associated with the absence of natural resources--were crucial determinants of efficiency-enhancing institutional developments.

A central issue of interest for Haggard was the interplay between the state and social forces. Labor was weak across the newly industrializing countries, but

---

<sup>8</sup> . This comparative work had the advantage of being able to draw on debates in Latin America about similar processes, particularly Guillermo O'Donnell's (1973; Kaufman 1979) model of bureaucratic-authoritarianism (BA), which bore a clear family resemblance to developmental state ideas (see for example, Im 1987 on BA in Korea).

appeared particularly restrained in the anti-Communist authoritarian regimes that were paragons of the export-led growth approach: Korea, Taiwan, Singapore and colonial Hong Kong. Labor certainly benefitted from rapid real wage growth; Campos and Root (1996) go so far as to argue that East Asian growth was inclusive and based on an implicit social contract. But if governments invested in education and real wages rose, labor weakness and even outright repression appeared an integral feature of an export-oriented model that rested on low-wage labor, labor-market flexibility and managerial autonomy on the shopfloor (Deyo 1989).

By contrast, longer periods of import-substitution in Latin America had entrenched complex systems of unequal social entitlements that were ultimately rooted in employment in import-substituting activities; Haggard and Kaufman 2008 drew these comparisons in their comparative historical analysis of the origins of welfare states in the two regions. Business interests were wedded to protection in both regions as well, but the sheer duration of import-substitution in the Latin American cases had entrenched the strategy more deeply, both in the nature of economic activity (backward and foreign linkages) and at the political level. It would have required a particularly powerful and independent state or government to shift policy in a more outward-oriented direction in the Latin American cases.

Similar contrasts drew on a range of comparator cases that gradually widened from the East Asia-Latin America one to the Middle East, South Asia and Africa. Waldner (1999) argued that a key difference between two Middle Eastern cases—Turkey and Syria---and Korea and Taiwan rested on the breadth of the coalitions elites forged at the time states were being formed. In Syria and Turkey, “premature” pressures to widen social coalitions gave rise to what Waldner called “precocious Keynesianism”: states that were committed to growth-inhibiting transfers. Kohli (2004) similarly noted that “fragmented multi-class states”—represented in his four-country comparison by Brazil and India--precluded not the more narrow shifts in policy of interest to Haggard but pro-business policies more generally. Evans similarly described Brazil as an “intermediate” case—between developmental and predatory states--in which clientelistic links to business and labor eroded the capacity to orchestrate a successful entry into global IT markets.

By contrast, all four of these cross-regional comparisons emphasized the presence of the features outlined above in the East Asian cases: relatively autonomous states and coherent bureaucracies that were able to impose the short-run costs associated with major policy transitions (Haggard), limit transfers (Waldner), develop a distinctively pro-business environment (Kohli) or coordinate with the private sector in order to advance international competitiveness (Evans).

The findings of the work on the origins of developmental and other states raised one of the most vexing problems for comparative historical analysis. The focus on the East Asian cases was driven by pressing pragmatic concerns; an interest in the sources of rapid growth and the concomitant improvement in human welfare. What were we to make of arguments that the success of these cases was rooted in historical factors that traced in some cases to the colonial era. Was history fate? Or could it be used to draw meaningful policy lessons? We take up this and several other themes by way of conclusion.

### **Conclusion: The Developmental State is Dead: Long Live the Developmental State!**

Although the developmental state literature took off in the 1980s and 1990s, it was largely preoccupied with a much earlier period. Johnson's book built up to the great industrial transformation in Japan in the 1950s and the subsequent literature on the newly industrializing countries looked back to the "take off" of the 1960s and 1970s. As the leading exemplars of the developmental state model gradually liberalized their economies, the concept appeared destined to become a largely historical construct: an explanation for an unusual period of very high growth limited to a small group of Asian countries. However, the developmental state literature focused on questions that were absolutely central to the discipline--the relationship between the state and the market, the politics and institutions conducive to growth—and thus unlikely to fade. More importantly, ideological winds were about to shift as the market triumphalism of the Washington consensus and early post-Cold War period proved surprisingly short-lived. The financial crisis

of 2008 also affected the tenor of the debate, setting in train a quest for a “post-Washington consensus” (Birdsall and Fukuyama 2011). It is worth tracing this intellectual history briefly, because the developmental state has enjoyed a surprising revival in recent years.

The onset of the Asian financial crisis in 1997-8 provided an opportunity for critics to underline the risks associated with industrial policy and restate the case for market-oriented reform. Rather than seeing strong states and well-ordered bureaucracies, critics noted the myriad problems of government-business partnerships, and most notably pervasive problems of moral hazard. But defenders of the developmental state model were quick to point out that the crisis could also be used to tell a very different story about the risks of deregulation, and capital account and financial market liberalization in particular (Wade and Veneroso 1998; Stiglitz 2002). It was only a short step from these observations to the underlying political economy (Moon and Mo 1999; Haggard 2000; MacIntyre 2003). The weakness of institutions for regulating and overseeing the private sector, and the financial sector in particular, were not simply an accident of history, a sin of omission on the road to liberalization. These weaknesses were consistent with the evolution of political economies in which business influence over regulatory institutions and processes had grown, limiting the ability of governments to check the socialization of risk and moral hazard. Rather than discrediting the developmental state model, the crisis confirmed some of its central tenets in the eyes of its defenders. In the wake of the crisis, reformers such as Kim Dae Jung sought precisely to reverse these trends in business-government relations, in part through liberalization but in part through more robust regulation of the financial sector and corporate governance.

Nor did liberalization necessarily spell the end of industrial policy altogether both empirical and normative interest shifted to the question of how to conduct industrial policy in a more open-economy context (Weiss 1998; Yusuf 2003; Wong 2004; Low 2004; Rodrik 2004; Hayashi 2010). For example, Deyo, Doner and Hershberg (2001) traced the evolution of Asian industrial policy across a range of sectors and the comparative historical work on Thailand by Doner (2009) examined



the transformation of industrial policy efforts across both natural resource and manufacturing industries over time. Not all of these accounts are success stories; Noble (1998) noted that “coordination” was difficult to distinguish from “collusion” and Wong (2011) offers a cautionary tale on the biotech industry in Asia. Nonetheless, by the end of the 2000s a new round of debate had emerged on industrial policy based on fears of the so-called “middle income trap”; the observation that high-growth economies were slowing (Gill and Kharas 2007). These economies could not continue to grow either through sheer capital accumulation nor through a linear process of reform-qua-liberalization alone; rather, the shift to a new development strategy rooted in higher productivity growth required the sorts of interventions and business-government relations—as well as new political coalitions—that the developmental state literature had identified (for example *Studies in Comparative International Development*, 2012).

For countries at lower levels of development, the great boom of the 2000s saw high growth spread across the developing world, and in countries pursuing diverse and heterodox developmental strategies. China was the most obvious example, and it was only a matter of time before efforts were made to explicitly assimilate the country into the broader East Asian model (for example, Baek 2005; Knight 2012). Although not without controversy, no less than the (Chinese) chief economist of the World Bank could advance a model of growth for low income countries in which the state would “facilitate structural change by aiming to provide information, compensate for externalities, and co-ordinate improvements in the ‘hard’ and ‘soft’ infrastructure that are needed for the private sector to grow in a manner consistent with the dynamic change in the economy’s comparative advantage (Lin and Monga 2011 265; Lin 2009).”

The new literature on industrial policy emerged in a fundamentally changed political context, raising a number of the political economy issues addressed in this chapter. The canonical Northeast Asian developmental states—Korea and Taiwan—democratized, followed with a lag by a number of the Southeast Asian countries. These changes raised the empirical issue of how growth might be affected by a more liberal political environment (for example, Rock 2013).

In an important and forward-looking collection a group of British development scholars and practitioners coined the term “the democratic developmental state” (Robinson and White 1998). This collection began by challenging the authoritarian hypothesis, noting the mixed record of authoritarian rule as a whole and restating the classical liberal argument that democracy and growth were not only compatible but re-enforcing over the long-run. The volume raised the issue of how the lessons of the East Asian cases could be adopted to a changed political environment in which the objectives were not simply to grow rapidly, but to do so in the context of increased accountability and attentiveness to the provision of social services and the expansion of human capabilities (Evans 2011).<sup>9</sup> Yet the ligaments of earlier argument remained in place. If anything, such a state required even greater capacity than the “classical” developmental state, with its single-minded focus on growth.

Africa became a somewhat surprising theatre for this debate (Mkandawire 2001; Edigheji 2005, 2010; Meyns and Musamba 2010). In a scathing indictment, Thandika Mkandawire (2001) challenged “the impossibility theorem”: the idea that African states were too dependent, weak, incompetent and corrupt to emulate the East Asian developmental states. Political scientists working on the region had long focused on the patrimonial nature of African governments, and some of the comparative historical work cited above—including both Evans (1995) and Kohli (2004)—had explicitly drawn comparisons between developmental and predatory African states. From the 1980s, “governance” began to gain attention from the international financial institutions, as well. Mkandawire argued, however, that “most of the analyses about African states that have led to so much despondency about the prospects of development are based on invidious comparison between African states in crisis and idealised and tendentiously characterised states elsewhere (Mkandawire 2001: 290).” On the one hand, neo-liberal approaches to

---

<sup>9</sup> . Although it is beyond the scope of our interests here, a new literature emerged on the East Asian welfare state, focusing on its distinctive features during the developmental state era and its transformation following the transition to democratic rule.

development in Africa had downplayed the significance of developing state capacity, a core feature of the Asian developmental states. On the other hand, the critics of African governance had overlooked that the East Asian model hardly conformed with the new received wisdom on governance: policy was far from liberal, states intervened pervasively, rents were distributed to chosen firms, and government and business worked hand-in-hand. Rather than seeking to finesse Africa's governance problems through weakening the state and focusing on liberalization, new models should evolve that strengthened capacity (Fritz and Menocal 2006) and "got interventions right."

These debates raised perhaps the most important theoretical issue in all of comparative historical research, namely, the question of why we bother to do it at all. Some strands of the new institutionalism in economics (Acemoglu, Johnson and Robinson 2001) reached implicitly pessimistic conclusions about the capacity to escape poverty traps, noting the very long reach of the dead hand of history. Yet the developmental state literature was from its inception deeply motivated by an engagement with policy debates; Wade, Amsden, Chang, Rodrik and others were not simply historians of development but pragmatists wary of cookie-cutter models. Deterministic formulations on the origins of long-run growth—including some of those that lurked in the origins debate—were ultimately of less interest than mining history for lessons that could be adapted to different national contexts. The puzzle of how to do this—the question of replicability--should be much more central to the comparative historical enterprise than it now is.

## References

- Acemoglu, Daron, Simon Johnson, and James A. Robinson. 2001. "The Colonial Origins of Comparative Development: An Empirical Investigation." *American Economic Review*, 91, 5: 1369-1401.
- Amsden, Alice. 1989. *Asia's Next Giant: South Korea and Late Industrialisation*. New York: Oxford University Press.
- \_\_\_\_\_. 1991. "Diffusion of Development: The Late-Industrializing Model and Greater East Asia," *The American Economic Review*, 81, 2: 282-286.
- \_\_\_\_\_. 1994. "Why Isn't the Whole World Experimenting with the East Asian Model to Develop? Review of *The East Asian Miracle*," *World Development*, 22, 4: 627-633.
- \_\_\_\_\_. 2001. *The Rise of "The Rest": Challenges to the West From Late-Industrializing Economies*. New York: Oxford University Press.
- Alice Amsden and Wan Wen Chu. 2003. *Beyond Late Development: Taiwan's Upgrading Policies*. Cambridge: MIT Press.
- Aoki, Masahiko, Hyung-Ki Kim and Masahiro Okuno-Fujiwara. 1996. *The Role of Government in East Asian Economic Development: Comparative Institutional Analysis*. New York: Oxford University Press.
- Baek, Seung-wook. 2005. "Does China Follow 'the East Asian Development Model'?" *Journal of Contemporary Asia*, 35 4: 485-498.
- Barzel, Yoram. 1997. *Economic Analysis of Property Rights*. 2nd Edition. New York: Cambridge University Press.
- Besley, Tim and Masa Kudamatsu, "Making Autocracy Work" CEPR Discussion Paper No. 6371 at <http://www.cepr.org/pubs/new-dps/dplist.asp?dpno=6371>
- Birdsall, Nancy and Francis Fukuyama. 2011. "The Post-Washington Consensus: Development After the Crisis," *Foreign Affairs*, March/April.
- Calder, Kent E. 1993. *Strategic Capitalism: Private Business and Public Purpose in Japanese Industrial Finance*. Princeton: Princeton University Press.
- Campos, Edgardo J. and Root, Hilton L. 1996. *The Key to the Asian Miracle: Making Shared Growth Credible*. Washington, D.C.: The Brookings Institution.
- Chan, Steve, Clark, Cal and Lam, Danny, 1998. *Beyond the Developmental State: East Asia's Political Economies Reconsidered*. London and New York: St. Martin's Press, Inc.

Chan, Sylvia. 2002. *Liberalism, Democracy and Development*. New York: Cambridge University Press.

Chang, Ha-Joon, 1994, *The Political Economy of Industrial Policy*. London and Basingstoke: Macmillan

\_\_\_\_\_. 2002. *Kicking Away the Ladder: Development Strategy in Historical Perspective*. London: Anthem Press.

Cheng, T.J. 1990. 'Political Regimes and Development Strategies: South Korea and Taiwan', in G. Gereffi and D. Wyman (eds.), *Manufacturing Miracles: Patterns of Development in Latin American and East Asia*, Princeton, NJ: Princeton University Press.

\_\_\_\_\_. 1993. "Guarding the Commanding Heights: The State as Banker in Taiwan," in Stephan Haggard, Chung Lee and Sylvia Maxfield, eds. *The Politics of Finance in Developing Countries*. Ithaca, N.Y.: Cornell University Press, 55-92.

Cheng, Tun-Jen, Stephan Haggard and David Kang. 1998. "Institutions and growth in Korea and Taiwan: The bureaucracy," *Journal of Development Studies*, 34, 6: 87-111

Cumings, Bruce. 1984. "The Origins and Development of the Northeast Asian Political Economy: Industrial Sectors, Product Cycles, and Political Consequences," *International Organization* 38, 1 (Winter), pp. 1-40.

\_\_\_\_\_. 1999. In Merdith.

Deyo, Frederic C. (ed.). 1987. *The Political Economy of the New Asian Industrialism*. Ithaca: Cornell University Press.

\_\_\_\_\_. 1989. *Beneath the Miracle: Labor Subordination in the New Asian Industrialism*. Berkeley: University of California Press.

Doner, Richard F. 1991. *Driving a Bargain: Automobile Industrialization and Japanese Firms in Southeast Asia*. Berkeley: University of California Press.

\_\_\_\_\_. 2009. *The Politics of Uneven Development: Thailand's Economic Growth in Comparative Perspective*. New York: Cambridge University Press.

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, 2 (Spring): 327-361.

Edigheji, Omano. 2005. "A Democratic Developmental State in Africa? A Concept Paper," Research Report 105. Johannesburg: Centre for Policy Studies.

\_\_\_\_, ed.. 2010. *Constructing a Democratic Developmental State in South Africa*. Cape Town: HSRC Press.

Evans, Peter. 1989. "Predatory, Developmental and Other Apparatuses: A Comparative Political Economy Perspective on the Third World State." *Sociological Forum*. 4, 4.

\_\_\_\_. 1995. *Embedded Autonomy: States and Industrial Transformation*. Princeton: Princeton University Press.

\_\_\_\_. 1998. "Transferable Lessons? Re-examining the Institutional Prerequisites of East Asian Economic Policies," *Journal of Developmental Studies* 34, 6: 66-86.

Evans, Peter and James Rauch. 1999. "Bureaucracy and Growth: A Cross-National Analysis of the Effects of 'Weberian' State Structures on Economic Growth," *American Sociological Review*, 64, 4: 748-65

Fields, Karl. 1995. *Enterprise and the State in Korea and Taiwan*. Ithaca: Cornell University Press.

Fritz, V. and Rocha Menocal, A. 2006. "(Re)building Developmental States: From Theory to Practice." Working Paper No. 274. London: Overseas Development Institute.

Geddes, Barbara. 2003. *Paradigms and Sand Castles: Theory Building and Research Design in Comparative Politics*. Ann Arbor: University of Michigan Press.

Gereffi, Gary and Donald L. Wyman, Eds. 1990. *Manufacturing Miracles: Paths of Industrialization in Latin America and East Asia*. Princeton: Princeton University Press.

Ginsburg, Tom. 2000. "Does Law Matter for Economic Development? Evidence From East Asia," *Law and Society Review*, 34, 3: 829-856

Gold, Thomas. 1980. "Dependent Development in Taiwan," unpublished Ph.D dissertation, Department of Sociology. Cambridge: Harvard University.

Grabowski, Richard. 1994. "The Successful Developmental State: Where Does it Come From?" *World Development* 22, 3 (March): 413-22.

\_\_\_\_. 1997. "Developmental States and Developmental Entrepreneurial Groups: Asian Experiences." *Journal of Asian Business* 13: 25-45.

Haggard, Stephan. 1990. *Pathways from the Periphery: the Politics of Growth in the Newly Industrializing Countries*. Ithaca: Cornell University Press.

\_\_\_\_\_. 2000. *The Political Economy of the Asian Financial Crisis*. Washington D.C.: The Institute for International Economics.

\_\_\_\_\_. 2004. "Institutions and Growth in East Asia." *Studies in Comparative International Development*, 138, 4: 53-81.

Haggard, Stephan, David Kang and Chung-in Moon. 1997. "Japanese Colonialism and Korean Development: A Critique." *World Development*, 25, 6: 867-881.

Haggard, Stephan and Robert R. Kaufman. *Development, Democracy and Welfare States: Latin America, East Asia and Eastern Europe*. Princeton: Princeton University Press.

Haggard, Stephan, Andrew MacIntyre and Lydia Tiede. 2008. "The Rule of Law and Economic Development." *Annual Review of Political Science* 11:205-34

Hayashi, Shigeko. 2010. "The developmental state in the era of globalization: beyond the Northeast Asian model of political economy." *The Pacific Review*, 23, 1: 45-69.

Hellman, Thomas, Kevin Murdock and Joseph Stiglitz. 1996. "Financial Restraint: Toward a New Paradigm," in Masahiko Aoki, Hyung-Ki Kim and Masahiro Okuno-Fujiwara, *The Role of Government in East Asian Economic Development: Comparative Institutional Analysis*. New York: Oxford University Press.

Huff, W. G., G. Dewit and C. Oughton. 2001. "Credibility and Reputation Building in the Developmental State: A Model with East Asian Applications," *World Development* 29, 4: 771-724.

Im, Hyug Baeg. 1987. "The Rise of Bureaucratic Authoritarianism in South Korea." *World Politics*, 39: 231-257.

Jayasuriya, Kanishka. 2005. "Beyond institutional fetishism: From the developmental to the regulatory state." *New Political Economy*, 10, 3: 381-387.

Johnson, Chalmers. 1982. *MITI and the Japanese Miracle: the Growth of Industrial Policy, 1925-1975*. Stanford: Stanford University Press.

\_\_\_\_\_. 1987. "Political Institutions and Economic Performance: The Government Business Relationship in Japan, Korea and Taiwan." In Frederic Deyo, ed. *The Political Economy of the New Asian Industrialism*. Ithaca: Cornell University Press, 136-164.

Kang, David. 2002a. *Crony Capitalism: Corruption and Development in South Korea and the Philippines*. Cambridge and New York: Cambridge University Press.

\_\_\_\_\_. 2002b. "Money Politics and the Developmental State in Korea", *International Organization*, 56, 1 (Winter): 177-207.

Kaufman, Robert R. 1979. "Industrial change and authoritarian rule in Latin America: a concrete review of the bureaucratic-authoritarian model," in David Collier, ed. *The New Authoritarianism in Latin America*. Princeton: Princeton University Press.

Khan, Moishin. and Jomo K Sundaram, eds. 2000. *Rents, Rent-Seeking and Economic Development: Theory and the Asian Evidence*. Cambridge: Cambridge University Press.

Kim, Byung-kook. 1988, 'Bringing and Managing Socioeconomic Change: The State in Korea and Mexico', unpublished Ph.D. dissertation, Department of Government. Cambridge: Harvard University.

Kim, Eun Mee. 1997. *Big Business, Strong State: Collusion and Conflict in South Korean Development 1960-1990*. New York: SUNY Press.

Kim, Linsu, 1997. *Imitation to Innovation: The Dynamics of Korea's Technological Learning*. Boston: Harvard Business School Press.

Knight, John. 2010. "China as a Developmental State," CSAE Working Paper WPS/2012-13. Oxford: Oxford University, Centre for the Study of African Economies.

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

Krauss, Ellis and Michio Muramatsu. 1984. "Bureaucrats and Politicians in Policymaking: the Case of Japan," *American Political Science Review* 78, 1 (March): 126-148.

Kuo, Chiang-tian. 1995. *Global Competitiveness and Industrial Growth in Taiwan and the Philippines*. Pittsburgh, PA: University of Pittsburgh Press.

Krugman, Paul. 1994. "The Myth of Asia's Miracle," *Foreign Affairs*, 73, 6 (November/December):

Leftwich, Adrian. "Bringing politics back in: towards a model of the developmental state." *Journal of Development Studies* 31.3 (1995):

Lin, J. Y. (2009) *Economic Development and Transition: Thought, Strategy, and Viability*. Cambridge: Cambridge University Press.



Lin, Justin and Célestin Monga. 2011. "Growth Identification and Facilitation: The Role of the State in the Dynamics of Structural Change." *Development Policy Review*, 29, 3: 264-290

Low, Linda. Ed. 2004. *Developmental States. Relevancy, Redundancy or Reconfiguration?*, New York: Nova Science Publishers.

Mkandawire, Thandika 2001: Thinking about developmental states in Africa, in: *Cambridge Journal of Economics*, 25, 3: 28-313.

Magaloni, Beatriz and Ruth Kricheli. 2010. "Political Order and One-Party Rule," *Annual Review of Political Science* 13:123-43

MacIntyre, Andrew, ed. 1994. *Business and Government in Industrializing Asia*. Ithaca: Cornell University Press.

\_\_\_\_\_. 2003. *The Power of Institutions: Political Architecture and Governance*. Ithaca: Cornell University Press.

Meyns, Peter and Charity Musamba. Eds. *The Developmental State in Africa: Problems and Prospects*. Duisburg, Essen. Institute for Development and Peace, INEF Report 101/2012.

Maxfield, Sylvia and Schneider, Ben Ross, 1997. *Business and the State in Developing Countries*. New York: Cornell University Press.

Moon, Chung-in and Rashemi Prasad. 1998. "Networks, Policies, Institutions," in Steve Chan, Cal Clark, and Danny Lam, eds. *Beyond the Developmental State: East Asia's Political economies Reconsidered*. London and New York: St. Martin's Press, Inc.

Noble, Gregory. 1998. *Collective Action in East Asia: How Ruling Parties Shape Industrial Policy*. Ithaca: Cornell University Press.

Noland, Marcus and Howard Pack. 2003. *Industrial Policy in the an Era of Globalization*. Washington D.C.: Institute for International Economics.

O'Donnell, Guillermo. 1973. *Modernization and Bureaucratic-Authoritarianism: Studies in South American Politics*. Berkeley: University of California, Institute of International Studies.

Okimoto, Daniel I. 1989. *Between MITI and the Market: Japanese Industrial Policy for High Technology*. Stanford, CA: Stanford University Press.

Olson, Mancur. 1993. "Dictatorship, Democracy and Development," *American Political Science Review* 87, 3 (September): 567-76.

Onis, Ziya. 1991. "The Logic of the Developmental State." *Comparative Politics*, 24, 1 (October): 109-126.

Patrick, Hugh and Henry Rosovsky eds. 1976. *Asia's New Giant: How the Japanese Economy Works*. Washington D.C.: The Brookings Institution.

Przeworski, Adam, Michael E, Alvarez, Jose Antonio Cheibub and Fernando Lemongi, *Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990*. New York: Cambridge University Press.

Ramseyer, Frances McCall and J. Mark Rosenbluth. 1993. *Japan's Political Marketplace*. Cambridge: Harvard University Press.

Robinson, Mark, and Gordon White, eds. 1998. *The Democratic Developmental State*. Oxford: Oxford University Press.

Rock, Michael. 2013. "East Asia's Democratic Developmental States and Economic Growth," *Journal of East Asian Studies* 13 (2013), 1-34

Rodrik, Dani. 1995. "Getting Interventions Right: How South Korea and Taiwan Grew Rich," *Economic Policy*, 10, 20 (April): 53-107.

\_\_\_\_\_. 2007. "Normalizing Industrial Policy," unpublished ms. Kennedy School of Government at

\_\_\_\_\_. 2008. *One Economics, Many Recipes: Globalization, Institutions, and Economic Growth*. Princeton: Princeton University Press.

Root, Hilton L., 1996. *Small Countries, Big Lessons: Governance and the rise of East Asia*. New York: Oxford University Press.

Routley, Laura. 2012. "Developmental States: A Review of the Literature." Effective States and Inclusive Development Working Paper No. 3. Manchester: ESID (February).

Samuels, Richard J., 1987. *The Business of The Japanese State: Energy Markets in Comparative and Historical Perspective*. Ithaca, New York: Cornell University Press.

Schleifer, Andrei and Robert W. Vishney. 1993. "Corruption," *Quarterly Journal of Economics*. 108, 3: 599-617.

Stiglitz, Joseph. 2001. *Joseph Stiglitz and the World Bank: the Rebel Within*. Edited with commentary by Ja-joon Chang. London: Anthem Press.

Stiglitz, Joseph. 2002. *Globalization and Its Discontents*. New York: W. W. Norton.

Svolik, Milan. 2012. *The Politics of Authoritarian Rule*. New York: Cambridge University Press.

Wade, Robert, 1990/2004, *Governing the market: Economic theory and the role of government in East Asian industrialization*. Princeton: University Press.

Wade, Robert. 1996. "Japan, the World Bank, and the art of paradigm maintenance: The East Asian Miracle in political perspective." *New Left Review* (217), June 1996, pp.3-36.

Robert Wade & Frank Veneroso, 'The Asian Crisis: The High Debt Model Versus the Wall Street– Treasury–IMF Complex', *New Left Review*, No. 228 (1998), pp. 1–24.

Weingast, Barry 1995. "The economic role of political institutions." *The Journal of Law, Economics, and Organization* 7: 1-31

Weingast, Barry. 1997. "The political foundations of democracy and the rule of law." *American Political Science Review* 91(2): 245-63.

Weiss, Linda. 1998. *The Myth of the Powerless State: Governing the Economy in a Global Era*. Polity Press.

Weiss, Linda and John Hobson. 1995. *States and Economic Development: A Comparative Historical Analysis*. Polity.

White, Gordon and Robert Wade. 1984. *Developmental States in East Asia*, special issue of *IDS Bulletin* 15, 2 (April): 1-71.

White, Gordon. 2006. "Towards a Democratic Developmental State." *IDS Bulletin* 37, 4: 60–70.

Woo, Jung-en. 1991. *Race to the Swift: State and Finance in Korean Industrialization*. New York: Columbia University Press.

Woo-Cumings, Meredith, ed. 1999. *The Developmental State*. Ithaca: Cornell University Press.

The World Bank. 1993. *The East Asian Miracle: Economic Growth and Public Policy*. New York: Oxford University Press for the World Bank.

Yusuf, Shahid. 2003. *Innovative East Asia: the Future of Growth*. Washington D.C.: The World Bank.