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# Asia after the Developmental State

*Disembedding Autonomy*

EDITED BY TOBY CARROLL  
AND DARRYL S. L. JARVIS







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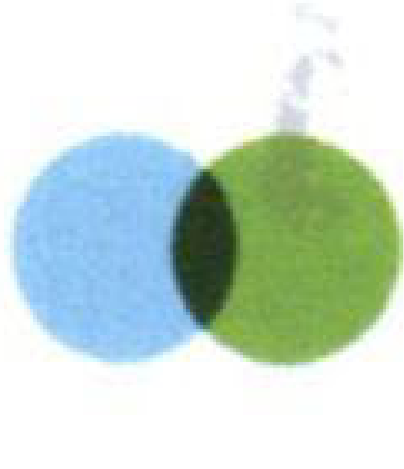
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CARROLL AND  
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## *Asia after the Developmental State*

### Disembedding Autonomy

*Asia after the Developmental State* presents cutting-edge analyses of state-society transformation in Asia under globalisation. The volume incorporates a variety of political-economy and public-policy-oriented positions, and collectively explores the uneven evolution of new public management and neoliberal agendas aimed at reordering state and society around market rationality. Taken together, the contributions explore the emergence of marketisation across Asia, including China, Japan, South Korea, Indonesia, Malaysia, Singapore and Vietnam – what is now often described as the world's most economically dynamic region – and the degree to which marketisation has taken root, in what forms, and how this is impacting state, society and market relationships.

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**General Editors:** M. Ramesh, *National University of Singapore*; Xun Wu, *Hong Kong University of Science and Technology*; Michael Howlett, *Simon Fraser University, British Columbia and National University of Singapore*

*For my nephews, Hamish, Oliver, Flannan and  
Oscar, and for Nichola, Mum, and Jim.*

DSLJ

*For Loretta and Barry.*

TJC





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## *Preface*

### Development in Asia after the Developmental State

In the decades after the Second World War, Asia was at the centre of debates regarding post-war reconstruction and late development. Scholars and policymakers looked to various countries in the region as sites of often novel policy implementation and experimentation, with ostensibly instructive cases deemed to be ‘models’ – the latter term suggesting not only desirability but also replicability. Here, *dirigiste* policies and institutional arrangements later captured under the moniker of the ‘developmental state’ received the lion’s share of attention. Japan’s increasing economic power (the country had the world’s second-largest economy from 1968 until 2010), followed by South Korea’s impressive ascent (where per capita income increased tenfold between 1965 and 1995), presented observers with two countries that had achieved developmental outcomes that seemingly challenged both liberal and Marxist postulates regarding the requirements and possibilities of development within capitalism (see, for example, McMichael, Petras and Rhodes, 1974; Petras, 1981; Warren, 1973). Not limited simply to these two North East Asian countries, commentators pointed more broadly to a certain geographically concentrated dynamism, captured in impressive growth rates, new industrial and manufacturing activity, and the rise of middle classes and brands of global standing in countries that might previously have been viewed by dependency theorists as part of the exploited periphery (Frank, 1975, 1978). A fresh set of acronyms entered the vernacular (‘newly industrialising countries’ (NICs), ‘newly industrialising economies’ (NIEs)), accompanied by the perhaps inevitable references to ‘dragons’ and ‘tigers’. Yet the final decades of the last century witnessed not only the zenith of developmental states but indeed their rapid undermining, with the 1997–8 crisis a crucial juncture – not to mention the bursting of Japan’s bubble and its lost decades. Neoliberals and market-oriented multilateral institutions such as the International Monetary Fund (IMF) and World Bank pointed to the realities of a globalising world dominated by ‘the



electronic herd' and global production chains, demanding nation states accept the new normal by adopting 'good governance' and reorienting state and society according to market rationality. Critical political economists concerned with the same set of dynamics highlighted the contradictions of a world market that favoured the interests of transnational and, indeed, financial capital, and explicated the connections between this reality and patterns of national development, extant constellations of interests and the institutions to which they were wed.

In the twenty years since the 1997–8 crisis there have been considerable developments, with ongoing efforts by multilateral organisations and national policymakers towards further market reforms feeding into new patterns of economic integration, competition and market discipline. Much has also been made of the growth and increasing importance of the region in the global political economy under 'multipolarity'; much less of the nature of this growth and the longer-term impacts on countries resulting from further incorporation into an increasingly global political economy characterised by the 'spatial reorganisation of production' and intensifying patterns of competition and marketisation (OECD, 2007). With a few important scholarly exceptions (see, for example, Berger, 2004; Gray, 2011; Hart-Landsberg, Jeong and Westra, 2007; Pirie, 2008; Rodan, Hewison and Robison, 2006), the fetishising of growth and institutions in the region has too often come minus commensurate attention to the impact of growth trajectories under globalisation upon social relations and classes (such as fractions of capital and labour) and, in turn, to institutional change. In a financialised world it is perhaps to be expected that what gets prioritised and highlighted first and foremost accords with the interests of those seeking growth and profit. However, the limitations that such imperatives place on social science and public-policy scholarship can be significant.

This book is the latest of several projects that we as editors have undertaken as part of interrogating key dynamics and characteristics of contemporary political economy in Asia, with political economy understood to involve the integrative analysis of both *politics* (which we take to mean the practice of power and interest) and the economic (Beeson and Robison, 2000; Carroll and Jarvis, 2014, 2015a, 2015b). The gestation of the project began with recognition that insufficient attention was being given to much of the above despite observations made while living in the region that often contrasted with mainstream