In the late 1980s, the concept of the developmental state became central to the study of East Asian development. Rapid economic growth, particularly in Japan, South Korea and Taiwan, was credited at least partially to strong, autonomous states which guided private investment into industrial sectors of states’ own choosing (Johnson 1982; Amsden 1989; Wade 1990; Önis 1991; Appelbaum and Henderson 1992). This school of thought emerged in reaction to the earlier portrayal of East Asian growth as a vindication of neoclassical economics. It also dovetailed neatly with the ‘bringing the state back in’ movement then current in political science (Evans et al. 1985). By the early 1990s the developmental-state interpretation achieved something close to paradigmatic status, compelling grudging recognition even from a key exponent of neoliberalism such as the World Bank (1993, 1997).

By the late 1990s, however, developmental-statism had been tumbled off its perch. A newly ascendant ‘institutionalist’ perspective accused it of being too centred on state autonomy—of disregarding the influence of social actors, particularly private capital, in policy-making (Doner 1992; Clark and Chan 1994; Moon and Prasad 1994; Evans
1995; Weiss 1995; Weiss and Hobson 1995; Remmer 1997; Weiss 1998). Again, this tied in with a wider movement against the ‘bringing the state back in’ school (see Migdal et al. 1994). The economic crisis which gripped East Asia in late 1997 undoubtedly dealt a further blow to the developmental-state model and opened it to renewed attack, even by the once-retreating neoliberal school (see The Economist 1998a).

The statist-versus-institutionalist debate hinges on two key questions. The first is essentially empirical: were (some) East Asian states truly autonomous from social forces? The second question is more conceptual in nature: does autonomy enhance or detract from a state’s capacity and effectiveness?

In this paper I am concerned mainly with the second question, the conceptual one. My argument is that state autonomy can be an important component of state capacity, and that it therefore remains a worthwhile analytical concept. But I should place clear boundaries to how far this argument can travel. I am not saying that autonomy is the only contributor to state capacity, or even the most important one.

I take up the empirical question only in so far as it is relevant to the conceptual one. I take the side of the classic developmental-statists in arguing that the success of the East Asian ‘tigers’ did stem, in part, from state autonomy. Here again, though, boundaries must be set to the argument. I willingly acknowledge that these states have now lost much (though not all) of their autonomy. And I have no wish to get involved in the unproductive debate about whether or not states were the main driving force of

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1 Strictly speaking, the term ‘institutionalist’ as used by a number of these authors is a misnomer. Developmental-statism is itself institutionalist, as Remmer among others recognises. But the reinterpretation of the label appears to have gained acceptance, and I will therefore continue using it.
East Asian development. A multitude of other factors were involved, and it is impossible to disentangle their impact (Wade 1992). In the 1970s and 80s the East Asian tigers may have benefited from a geopolitical window of opportunity which is now closed: other countries may not achieve similar growth levels even if they adopted similar policies and pursued them with equal effectiveness.

And this is a big if: many developing-country governments are in no position to pursue a developmental-state-style growth strategy. A failed attempt to play the developmental state could do a lot of damage to the economy and society. To argue for autonomy as a worthwhile analytical concept is not the same as to say that all states can or should seek greater autonomy for themselves.

Some would argue that the concept of state autonomy is no longer relevant in the wake of East Asia’s 1997 economic crisis. I concede that the Asian crisis, still in full force at the time of writing, lends a distinctly historical air to a discussion of developmental states and state autonomy. Yet I submit that there are at least three reasons why it would be wrong to dismiss the subject:

First of all, a historical discussion is valuable in itself. The current crisis should not blind us to the lessons, such as they are, of the last 40 years of economic growth in East Asia.

Secondly, it is arguable that financial and economic liberalisation, not excessive intervention, contributed to the crisis (Weiss 1998: xii-xv; see also Gills 1996). Far from settling the debate about state intervention in the economy, the crisis has reopened it. In late 1998 Taiwan and Malaysia both reintroduced controls on capital flows to head off the risk of financial crisis: they did so with the support of many
prominent economists (*The Economist* 6 and 12 September 1998). States such as these may well come out of the crisis with their autonomy reinforced.

Third, even if states opt for market liberalisation, as many developing countries did in the 1980s and 90s, their ability to carry it through successfully will often depend on their ability to assert a degree of autonomy relative to domestic social interests. To become an agent of economic globalisation, a state needs *more* autonomy—not less. Autonomy has many facets: it can be directed at external forces, as with Taiwan and Malaysia currently, or domestic ones.

The developmental-statist perspective

The developmental-state model has been discussed very frequently in the literature and its key features are well known. Summaries can be found in Önis (1991), Henderson and Appelbaum (1992), Wade (1992) and Doner (1992). Briefly, its main elements are as follows:

the government stakes its legitimacy on the achievement of rapid economic development (defined as export-oriented industrialisation), which it elevates to the highest national priority;

the state does not directly supplant the role of private enterprise (though it may invest heavily in industry in its own right), but it does seek to guide private investment into priority areas identified by the state;

the government exerts leverage over private capital through instruments such as credit control, import protection linked to export targets, and a variety of discretionary investment incentives;
the government has an economic policy bureaucracy consisting of qualified professionals recruited on merit and insulated from political pressures: within this bureaucracy a single, highly prestigious agency is paramount; the economic bureaucracy is linked to a network of public-private research institutes, private industry associations (often set up on the state’s initiative), and private firms. The reason why state intervention does not degenerate into perpetual subsidisation of inefficient, rent-seeking industries is ultimately the power of the state with respect to social forces—a condition variously termed state autonomy, strength, or hardness. Landowners, where present, have been eliminated as a political force by war or social upheaval; private capital is weak; and labour unions are muzzled. But most authors in the developmental-statist camp see autonomy as a wasting asset: economic growth strengthens both capital and labour and gradually whittles away the state’s freedom of action. As Evans (1995) puts it, a developmental state calls forth its own gravediggers.

Arguably, indeed, most developmental states were past their zenith even as the seminal literature on the subject was being published. Japan’s developmental state seems already to have been in its grave in the 1980s (Wilson 1990; Callon 1995). In Korea it was being readied for burial in the early 1990s, well before the crisis (Kong 1995; Gills 1996); the latter may actually reverse the process to some extent. Even at their peak, though, how many developmental states were there in East Asia? In the early 1990s there was a tendency to talk about ‘the East Asian developmental state’ as though the model applied throughout the region. In reality only Japan, South Korea, Taiwan, and to some extent Singapore have ever fitted the model. And there have been significant variations even within this group. Singapore relied on foreign
investment to a much greater extent than the other countries, exercising less direct
control over private capital. Taiwan relied less on large conglomerates and more on
public enterprises than did Japan and South Korea. In Japan politicians kept at arm’s
length from economic and industrial policy-making, whereas the president was
personally involved in Korea and Taiwan (Rodan 1989; Wade 1990, 1992; Doner

The institutionalist critique

The empirical argument

The institutionalist critique of developmental-statism attacks on both the empirical
and conceptual fronts. The empirical argument begins by recognising the above-
mentioned divergencies and pointing to the geographical overextension of the model.
This line of thought goes on to scrutinise the internal workings of East Asian states
themselves, debunking the notion that they are unitary, ‘rational’ actors. It points to
bureaucratic infighting and turf battles, as for instance the rivalry between Korea’s
Economic Planning Board (the top economic decision-making body) and its
ministries of finance and commerce (Moon and Prasad 1994).

The empirical critique goes further, looking at the relationship between states and
non-state actors and rejecting the notion of autonomy. In a seminal work of the
institutionalist school, Doner (1992) compares state involvement in car manufacturing
in Korea, Thailand, Malaysia, and the Philippines. He surveys four aspects of industry
governance—rationalising manufacturing capacity, bargaining with foreign
companies, improving local technological capacity, and reconciling producer interests
in related industries—and finds that in all four countries manufacturers played an
important role in shaping government decisions and outcomes. Doner also notes that
where state and business interests collided head on, states often came off second best. In Korea, for example, the chaebol or big conglomerates stymied the government’s efforts to rationalise the car industry. Hyundai developed the Excel car with very little government support.

Says Doner: ‘I … argue for a broader institutionalism that (1) incorporates private sector and public sector arrangements, (2) appreciates the coalitional bases of such arrangements, and (3) recognizes the utility of combining political support for local firms with pressure on them to conform to market forces’ (1992: 401). Moon and Prasad (1994), backed by Clark and Chan (1994), extend the definition of ‘institution’ broader still, using the term in a Northian (1990) sense to encompass culture, ideology, and informal rules of the game.

The conceptual argument

The conceptual variant of institutionalism is more willing to accept that states do not simply sail where social winds blow—that they can and do move under their own steam. All the same, it argues that states are most effective when they work with rather than against non-state actors. Key exponents of this view are Evans (1995), Weiss (1995, 1998), and Weiss and Hobson (1995). Weiss goes so far as to attack those who would ‘kick the state back out’:

In their haste to dispute the ‘developmental state’ idea—to knock down the notion that the East Asian state is in some sense ‘strong’ or distinctive—many recent studies fail to pay sufficient attention to the possible importance of cooperation in a theory of state capacity…. The danger is that in trying to bring capital back in, the state is being marginalized or diminished, in a negative-sum manner. (Weiss 1995: 591-2)
This school of thought does not actually adopt the institutionalist label—Weiss and Hobson call themselves neo-statist—yet it leans towards this camp in the statist-versus-institutionalist debate. Although Evans, Weiss and Hobson accept that states are vital actors in their own right, these authors are fundamentally at variance from the classic developmental-statist view in emphasising ‘connectedness’ to society, rather than autonomy, as the true key to state effectiveness in achieving developmental outcomes. In this they remain closely akin to the earlier institutionalists.

Evans pioneered this approach and fleshed it out theoretically. He argues that state autonomy derives from the existence of a cohesive and competent bureaucracy that is recruited on merit. Officials who are bound by Weberian-style norms will be less likely to bow to particularistic social pressures or engage in predatory behaviour. Given this kind of autonomy, a network of links to social groups with an interest in the state’s project of industrial transformation will magnify rather than reduce the capabilities of the state. ‘Connectedness means increased competence instead of capture’ (Evans 1995: 50).

This is the paradox of ‘embedded autonomy’ which, says Evans, is the motor of rapid industrial growth in countries such as Korea and Taiwan. He backs up his argument with a study of the information technology industry in Korea, Brazil and India, which shows how the Korean state’s better cohesiveness and closer relationships with information technology firms brought about hugely superior performance in this sector. The key to the paradox lies in the way Evans conceptualises autonomy. This is not simply the reverse side of the coin of weak civil society—as both developmental-
statists and the empiricist variants of institutionalism envisage it—but the outcome of a strong and cohesive bureaucracy.

Weiss and Hobson (1995) arrive at broadly similar conclusions from a different theoretical starting-point. Following Michael Mann (see Mann 1984), they distinguish between two types of state power: the despotic (the state acting on its own, in isolation from or defiance of civil society) and the infrastructural (the capacity of the state to enlist social groups in the furtherance of mutually beneficial ends). Despotic power, say Weiss and Hobson, is a mark of weakness not strength; it is the kind of power associated with ancient states, which in reality had a very limited capacity to implement decisions, mobilise resources, and enforce rules. Modern states have little despotic power, but they are much stronger thanks to their superior infrastructural power.

The authors argue that the highest expression of infrastructural power is state-business concertation of markets to bring about ongoing industrial transformation: a system of ‘governed interdependence’. They deliberately use this label for contrast with Wade’s (1990) ‘governed market’, bringing out the difference between their perspective and that of classic developmental-statism excellently. State autonomy in the old sense, the authors maintain, achieves little on its own and is relevant only in so far as it prevents governed interdependence from degenerating into Olson-style (1982) rent-seeking. They accept the concept of embedded autonomy, but to them autonomy is very much the junior partner in the equation.

National competitiveness in all modern societies, say Weiss and Hobson, depends on the capacity of states to coordinate industrial growth and development in partnership with private industry. The country that best exemplifies this kind of capacity in the
authors’ eyes is Japan. The Japanese example, they say, disproves the argument that a developmental state digs its own grave: as the private sector grew in strength it became more of an equal partner with the state, but the effectiveness of the state-business partnership remained undiminished.

Why state autonomy remains important: the shortcomings of the institutionalist school

To summarise, there are two distinct lines of argument within the institutionalist camp. The first questions the basic premise of developmental-statism, that some East Asian states are or have been in some way autonomous from society. It revisits the record of East Asian development to point out the evidence of ‘connectedness’ between states and societies—how states reacted to social and political pressures, how private actors moulded public policy, how firms went their own way regardless of what governments wanted.

The second, conceptual strand is more sophisticated. It criticises both developmental-statism and the previous strand of institutionalism for looking at state-society relations in zero-sum, tug-of-war terms. This viewpoint accepts that state agencies can develop policy preferences autonomously. But it argues that governments can achieve far more if they work with rather than against society. Institutionalised state-society linkages do not diminish the state’s capacity to achieve industrial transformation; on the contrary, they are the highest expression of that capacity.

In truth, how wide are the divergencies between developmental-statism and either strand of the institutionalist camp? Less than they are made to appear: the differences are mainly of emphasis. Scholarly enquiry at times seems to operate in yo-yo fashion.
Novel findings are over-accentuated, leading eventually to an equally overemphatic counter-movement. Theoretical mountains are built on empirical molehills.

So has it been in this case. The early developmental-statists laid heavy emphasis on top-down government intervention because their aim was expressly to overturn the earlier neoclassical appropriation of East Asia as a triumph of market-led development. But if they went too far in this direction—and the early authors at least never sought to deny the role of private business in the East Asian miracle—many institutionalists have gone too far in the opposite way.

There is a pitfall in comparative research which we might call ‘seek and thou shalt find’. If one goes on an expedition in the complex and multifaceted terrain of East Asian development looking for evidence of competent public officials successfully undertaking well-designed initiatives, one is sure to find it. And if one looks for private actors prevailing against state incompetence and misdirection, one is equally sure to find it. The debate is partly a question of researchers talking past one another on the basis of findings that were predetermined by their research questions. The likelihood of researchers talking past each other is increased when they generalise on the basis of diverse and narrowly selected geographical areas:

The lower institutional capacity of the states of Southeast Asia distinguished this region from South Korea and Taiwan. This difference, in turn, is the reason the institutionalists writing about Southeast Asia discuss a form of society or inclusive institutionalism rather than the state institutionalism of Taiwan and South Korea. (Hawes and Liu 1993: 656)

At the heart of the problem is a lack of methodological rigour in designing research questions. Too many studies ask absolute questions like ‘Was the state in East Asia
autonomous (or connected)?’, when a more useful question would be a relativistic one such as ‘How autonomous (or connected) was the state in Korea (or Malaysia or Indonesia) compared to elsewhere?’

Doner (1992) avoids the problem of geographical narrowness by selecting widely dispersed countries for his study of government intervention in auto manufacturing. By including Korea, he confronts the developmental-statists in their own heartland. This, plus the fact that his article is one of the seminal pieces of institutionalism, makes it ideal for testing against our relativistic perspective. And when we do so, Doner’s evidence looks altogether different. In every one of his tests of industry governance, South Korea emerges as the best performer. This is thanks to the Korean state’s autonomy, as Doner is compelled to admit momentarily:

The preceding discussion has affirmed the value of strong states in resolving collective action problems central to auto industrialization. South Korea’s superior performance is inexplicable without reference to both direct and indirect actions by state officials. But the evidence also suggests that the statist view is incomplete. Politics, in the sense of both instrumental pressures and broader coalitional constraints, is critical to even strong state interventions … (Doner 1992: 426-7)

Doner’s evidence is effective testimonial to the potential impact of state strength and autonomy.

The more sophisticated strand of institutionalism laid out by Evans, Weiss and Hobson survives confrontation with this kind of evidence because its argument is different. As we have seen, these authors are concerned not to disprove the existence of state autonomy in absolute terms (though Weiss does veer towards this at times) but to show that it does not on its own contribute to state capacity. This strand of
institutionalism more conceptual than empirical, yet it is found wanting precisely in its conceptual underpinnings.

Let us begin with Evans. Much as he expounds on the importance of embeddedness, his whole book is suffused with an awareness that autonomy is necessary to keep embeddedness from slipping into Olson-style unproductive rent-seeking behaviour. ‘Embeddedness,’ says Evans at one point, ‘is necessary for information and implementation, but without autonomy, embeddedness will degenerate into a super-cartel, aimed, like all cartels, at protecting its members from changes in the status quo’ (1995: 57-8, emphasis added). In other words autonomy remains a fundamental condition of state strength, even if not a sufficient one in itself. This is why Evans accepts that the developmental efficacy of a state is time-bound; embeddedness will eventually overwhelm autonomy and the delicate balance between the two will be lost.

So far so good, but Evans’s conceptualisation of autonomy as a function of bureaucratic cohesiveness and competence is out of step with the notion that it has a best-before date. States lose their developmental efficacy not because bureaucracies deteriorate, but because capital and other social forces grow stronger. If autonomy depended on bureaucratic competence, not only would developmental states not dig their own grave, but first-world states such as the US and the UK would also merit categorisation as developmental states. They have embeddedness aplenty, and fairly competent and cohesive bureaucracies. Yet the UK and the US are normally considered weak states incapable of successful developmental-state-style industrial intervention (Krasner 1978; Wilson 1990)—a view which Evans shares. His theoretical framework appears wanting when held up against a first-world mirror.
Autonomy remains, therefore, fundamentally a question of keeping non-state actors at arm’s length. They can be allowed a say in detailed policy-making and implementation; but the general scheme of things must continue to be determined by the state if it is to retain its developmental efficacy.

In fairness to Evans, some first-world specialists such as Atkinson and Coleman (1985, 1989) also take bureaucratic cohesiveness as a building-block of state autonomy. Yet this surely reads more into the notion of bureaucratic cohesion than is warranted. In a functioning democracy, the bureaucracy is subordinate to an elected political government. It is up to that government to pull together to counter the centrifugal pressures on policy-making generated by non-state interests.

The bureaucracy, no matter how cohesive, can do no more than provide the machinery for policy coordination and ensure that each ministry of government is aware what the others are doing. It may indeed be vital to the state’s capacity to frame policy that is well thought out and takes account of relevant information; but its contribution to state autonomy is surely very limited. If there is no central direction—or an inability to impose it—at a political level, the bureaucracy is not likely to be able to fill the void.

Weiss and Hobson escape the conceptual problems encountered by Evans because they do not consider bureaucratic institutionalisation to be the source of state autonomy. Moreover, they do not accept that a state’s developmental efficacy is a wasting asset; nor do they accept that the English-speaking democracies are necessarily ‘weak’. As will become apparent shortly (if it is not already so), these two arguments underpin Weiss and Hobson’s claim that the emergence of strong social forces enhances state strength. Yet it is here that the fundamental weaknesses in
Weiss and Hobson’s conceptualisation of state capacity show up. Let us take each argument in turn.

The view that developmental efficacy (defined as governed interdependence) is not time-bound rests on the example of contemporary Japan. One could take a short-term perspective and say that the late 1990s are no time to hold Japanese economic prowess up as an example to an English-speaking readership. More central to my argument, however, is the divergence between Weiss and Hobson’s portrayal of Japan and that of other authors. To Weiss and Hobson, Japan is a functioning example of governed interdependence; as others portray it, it is a good example of a developmental state in its twilight.

For instance, a key study by Callon (1995) looks at the efforts of the Ministry of International Trade and Industry (MITI) to push Japan’s information technology industry to the leading edge of technological development during the 1980s. MITI’s chosen policy instrument was the establishment of research and development consortia bringing together key firms—the kind of partnership-based arrangement central to governed interdependence. The consortia did get set up, but most did not function effectively. The companies involved distrusted each other and their collaboration was formalistic and ineffective. They were simply not interested in governed interdependence.

As they came into their own in the late 1980s, Japanese IT corporations were able to plough billions of yen into their own research and development work. MITI lost much of its remaining leverage over them as its own R&D budget, large as it was, paled into insignificance by comparison. Interestingly enough, though, industry could not simply tell MITI to get lost even at this stage. Public belief in cooperation for national
development was too strong for that. As one company engineer put it, ‘we really can’t not participate. It’s expected of us, since it’s a big national project and we’re a big company. It’s kind of a custom’ (Callon 1995: 64). So the firms went along with MITI for the sake of appearance, though they refused to contribute money of their own to MITI’s later ventures and did their best to avoid divulging valuable information to collaborating firms.

This says much about the need to look at autonomy in relativistic terms: even in its later years, MITI could still push huge, highly competitive corporations into joint ventures that they did not want. It also says a lot about the social values that underpinned the ministry’s power, and points to some of the possible sources of state autonomy.

Yet the fact remains that MITI’s power did not extend to making inter-company collaboration effective when the firms involved did not want it. In the end the ministry itself had to go along with the pretence and claim that its ventures were successful. ‘[MITI’s] finely-tuned industrial-policy machine,’ says Callon, ‘ran aground in the 1980’s’ (1995: 186).

In reply to Callon, Weiss (1998: 199-202) argues that governed interdependence does not preclude a measure of conflict in government-business relations; that it is only natural for some research and development ventures to fail; and that Callon cannot generalise about MITI’s entire range of activities on the basis of a single industrial sector. Yet Callon’s case rests not on the presence of conflict, but on the ineffectiveness of state-sponsored research and development; inter-firm and intra-government conflict is only given as an explanation for this failure. And information technology is a vital industrial sector to which MITI devoted a great deal of time and
money during the 1980s, surely making it a valid test case of the ministry’s effectiveness. Callon’s evidence is a loaded weapon aimed at the heart of governed interdependence theory; Weiss’s own work, it should be said, rests on a limited amount of factual evidence.

In short, the developmental efficacy of the Japanese state has been in decline owing to its loss of leverage over private industry—just as developmental-statism predicts. It may seem odd to cite the decline of state autonomy as evidence in favour of its own importance, as I am doing here; but I would argue that there is no contradiction. Looking at the impact of declining autonomy in a situation where it was once present is a good way to assess its contribution to state effectiveness, just as water out of a tap is most appreciated when it stops flowing. My point is that declining autonomy led to declining developmental efficacy; this is in complete contrast to the institutionalist view that autonomy had nothing to do with the developmental efficacy of states, even when the latter was at its highest.

Weiss and Hobson’s proposition that the US and the UK are not weak states also runs counter to much of the literature on the subject (as we have already seen in connection with Evans). They base their argument on, first of all, the existence of something close to governed interdependence, particularly in the US, in agriculture and the defence industry; and secondly, the fact that English-speaking liberal democracies have carried out plenty of market liberalisation in recent years—something requiring substantial state autonomy. They are certainly right here; yet why then not accept the significance of autonomy?

By way of reply to this question, Weiss (1998: 21-2) quotes an example of state failure in Australia: the government’s attempt to restructure the domestic textile
industry through a massive programme of financial assistance in preparation for the planned liberalisation of textile trade. The liberalisation succeeded, even being carried out ahead of the originally announced timeframe. But the assistance programme failed. The government lacked textile industry expertise; it did not consult with firms; and much of its money found its way to the hands of retailing companies who spent it on bigger warehouses so they could import textiles. The author’s point is that the plans failed not because of a lack of autonomy—the accelerated liberalisation showed plenty of evidence of that—but an absence of ‘connectedness’.

But this argument does not quite convince. If textile retailers had a greater say in the design and implementation of the programme, would this have prevented them from spending aid money on warehouses? One can hardly see firms lobbying the government to impose developmental-state-style performance requirements on themselves. This example is best understood as a question of degrees of autonomy—the relativistic perspective again. Liberal democracies such as Australia may have won sufficient freedom of movement for themselves to deregulate trade and dismantle tariff barriers independently of the wishes of private interests; but to intervene in the micro-workings of industry would require not only plenty of industry expertise, but a quantum leap in autonomy which these states simply cannot make.2

For the fact is that Weiss and Hobson share with Evans the same implicit recognition of the fundamental importance of autonomy as a foundation for developmentally effective ‘connectedness’. They say, for instance, that state-industry linkages ‘enable relevant state elites to engineer compliance of key business groups with larger non-
negotiable goals of the state’ (1995: 162, emphasis added); that without autonomy, ‘public purpose readily degenerates into private interest, a consequence all too evident in the Latin American setting’ (1995: 166-7); and that the state is ‘senior partner’ in governed interdependence (1995: 169).

But this Evans-style approach to autonomy is in fundamental tension with Mann’s (1984) interpretation of state capacity, on which Weiss and Hobson found their conceptual framework. To Mann, as well as Weiss and Hobson, autonomy is a relic of preindustrial days that does not contribute to the capacity of the modern state. Yet Weiss and Hobson concede its value after all. This contradiction in Weiss and Hobson’s framework is reflection of the fundamental dilemma they find themselves in: they acknowledge the state as an institutional actor in its own right, yet they seek to downplay precisely the autonomy which gives it its significance.

Conclusion

To sum up, then, what significance should we attach to state autonomy?

The experience of a few Northeast Asian states clearly demonstrates the potential value of state autonomy—the ability of states to act independently of the wishes of non-state actors—as a component of state capacity. There is no other convincing interpretation of the performance targets on industry, the readiness to withdraw support from unsuccessful firms, the diversion of resources from consumption to investment, the highly efficient public corporations that were the hallmarks of developmental states at their zenith (Amsden 1989; Wade 1990). The institutionalist reinterpretation of the evidence fails when confronted with these facts.

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2Bell (1995) argues that the Australian federal state remains fundamentally weak in spite of its recent trade liberalisation measures.
This is by no means to say that autonomy is all there is to state capacity. Autonomy allows you the space to take decisions; you still need the capacity to take informed, coherent decisions (which is where a competent bureaucracy comes in) and the wherewithal to implement them. Even at this fundamental level of analysis, there are three elements of state capacity of which autonomy is only one.

‘Connectedness’ can magnify both the state’s capacity to make informed decisions and its logistical ability to carry them out: this I willingly accept. But in return for thus boosting the capability of the state, social actors can exact a quid pro quo of their own: the foreclosing of policy options that do not accord with their interests.

This is not a problem only in the happy situation, not so frequent despite protestations about zero-sum analysis, where state interests coincide with those of its non-state partners; or where the state has such clout that its partners have no choice but to accept its broad policy goals as given (in which case the appearance of happy mutuality of purpose is created). To focus on embeddedness in isolation from the autonomy that must underpin it is to be overawed by a soaring edifice without appreciating that its foundations deep underground are the more impressive feat of engineering.

Autonomy enables the state to be selective about which groups to ‘connect’ with (an important aspect that institutionalists downplay); and, on occasion, to strike out on its own without support from any groups. This kind of state action remains important even today, in a variety of policy sectors. Compare the decisive and effective action taken in Singapore to control traffic congestion with the halting, tentative moves in
the same direction currently being taken by the UK government (*The Economist* 1998b).

My argument, I reiterate, is not that developmental states lacked ‘connectedness’, but that autonomy was of more fundamental importance as the underlying variable. As with much of the literature on this subject, it’s a question of emphasis. I accept that autonomy can be abused by unscrupulous politicians and officials. This has happened in Northeast Asia; why it has not happened more frequently is a major question that is still to be satisfactorily answered.

I would also reiterate that I am not seeking to argue that autonomy is important everywhere, or that all fast-developing East Asian countries have had autonomous states, or even that autonomous states were the only contributor to development in Taiwan or South Korea. While relatively autonomous states have contributed to development in the past in some countries, these selfsame states appear to have lost much of that autonomy; and many others have never had it.

This leaves us with a final question: what are the sources of autonomy? The classic developmental-state literature ascribes autonomy to the weakness or absence of non-state actors: this is undoubtedly a central factor, and the growth of such actors in East Asian countries explains why developmental states have become weaker. But the Japanese example of powerful firms compelled to participate in government-led joint research, however formalistically, in deference to public opinion points to another factor in the equation: social norms which prize collective action in the

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3This is also the sense in which Putnam (1993) argues that a strong society makes for a strong state. Putnam’s argument is quite compatible with that of this paper.

4See Gills (1996) and Kong (1996), among others, on corruption in South Korea.
national interest. Such values may be present in other East Asian countries: the image of ordinary Koreans giving up their gold and foreign currency to the government in the belief that this would help overcome the economic crisis—surely something that would happen in very few other parts of the world—comes to mind.

This is an important issue that deserves further exploration, but it is beyond the scope of this paper. The aim of this paper has been to establish that autonomy is worthy of the attention of researchers as a contributing factor to state capacity which is present in varying degrees in different countries at different times (and in different policy sectors). It is to be sought, and its impact analysed, within a relativistic rather than absolutist, either-or perspective.

References


