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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Disembedding Autonomy

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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 narratives of 'airport books' and commentators (both popular and scholarly) heralding the 'rise of Asia', 'the Asian century' and, more recently, 'the rise of China'. What we were witnessing was much more complicated: often painful processes of integration of countries into the global political economy involving contested and uneven market-oriented institutional reform; shifts in leverage between states and fractions of capital; the metamorphosis of fractions of capital from domestic to transnational in both interest and orientation and the demise of less competitive fractions; the diminution of the (already limited) structural power of nationally bounded labour; high per capita incomes matched with increasingly higher Gini coefficients; low levels of productivity, innovation and capacity in places that often ranked highly in terms of international benchmarking exercises such as *Doing Business*; lacklustre shifts from low-skilled, labour-intensive and agrarian economies to higher-value-added and service-oriented economies; often highly uneven development between and within countries; both persistent and novel patterns of deprivation and vulnerability despite growth; highly stratified systems of healthcare that frequently received praise from international bodies and visiting dignitaries in settings with high per capita incomes; poor public healthcare and welfare in poorer countries that were being celebrated as new investment classes such as 'emerging and frontier markets'; timid redistributive mechanisms in late-developing countries experiencing dramatic and widening levels of inequality; thin veneers of modernity masking pre-modern social relations, poor infrastructure and often dire material conditions; the awkward pairing of nationalist agendas and rising xenophobia with the reality of large numbers of émigrés, dual-citizenship holders (despite it often being prohibited by authoritarian regimes) and unprecedented capital flight; the highly uneven application and, indeed, absence of rules and standards in places regularly heralded as rule-obsessed and/or bound to the rule of law and international agreements; and environmental degradation on a frequently colossal scale.

What was clear was that while growth rates were often impressive, attracting attention from the financial press and Western politicians presiding over the return of stagnation and crisis in their own countries, there was much under the surface that required greater scrutiny and systematic theorising. Further, while acknowledging the multifaceted nature and rather arbitrary and flexible boundaries of the region, we felt that given the often sweeping generalisations made about Asia, a sustained and overarching analysis deserved to be undertaken, even if somewhat as an entry point into more individuated research agendas that were united in detailing and theorising the new normal.

Beyond Growth and Institutional Fetishism

Beginning in 1780, it took sixty years for the dynamism of the British Industrial Revolution and the extractive advantages of colonialism and mercantilist trade to double Britain's GDP per capita (an admittedly broad, yet still useful, indicator of a country's output and an accepted proxy for levels of national wealth and development). By contrast, it took Japan a mere thirty-four years commencing in the 1880s, South Korea eleven years from 1966, and China roughly a decade from 1981 – with China expected to again double its GDP per capita in the five years between 2015 and 2020 (World Bank 2015c; Boulton, 1998: 109; Morrison, 2015). Undoubtedly, set against persistent underdevelopment and stagnant growth elsewhere, growth results in Asia warrant attention, yet they also compel an analytical updating that considers changes in distribution, actual developmental outcomes, impacts on social relations and – especially important given the developmentalist assumptions re the link between institutions and development – the associated shifts in the form of the politically constituted orders of control and resource allocation operating within particular jurisdictions (what some might apolitically call 'governance').

Measured in GDP per capita (current US$, 2014), at $56,284 the 720-square-kilometre 'soft authoritarian' city state of Singapore, which in the past received attention for its developmentalist attributes and shift from 'Third World to First', tops both North East Asia and South East Asia's economies. This said, those who have spent time in the vast public housing estates of Bedok or Toa Payoh, watching old *karung guni* collect cardboard, or who are familiar with the reality of three generations of one family living in a three-bedroom flat, understand that this per capita figure needs to be set not simply against the skyscrapers of Marina Bay but also against the reality of serious distributional, productivity and upscaling challenges. The sort of economic activity that once underpinned rapid accumulation, such as that associated with manufacturing, petrochemicals, port and shipping services and banking, and which provided grist to the mill of government edicts that hard work and prudent investment in education by individuals were required to attain social mobility, now no longer plays the same role that it once did. Importantly, new levels and forms of economic activity have failed to provide the same inroads to rising accumulation, making the ongoing legitimation of 'meritocracy' narratives complicated. Like many countries in the region previously celebrated for embracing a developmentalist path – centred upon large and ostensibly meritocratic bureaucracies, technocracy and significant government involvement in economic activity, somewhere between central planning and the free market – the country finds itself characterised by high levels of inequality (Singapore had a Gini of 46.4 in 2014) that, while not particularly new, are beginning to bite, with many Singaporeans squeezed by an economy that depends upon well-paid 'foreign talent' and low-paid foreign workers to construct and maintain the built environment and perform central roles in social reproduction. Popular concerns over rising costs of living, inequality and declining social mobility – which were acknowledged when Prime Minister Lee Hsien Loong suggested on Twitter that he hoped more young Singaporeans would become 'hawker-preneurs', a reference to the notion that young people should consider opening one of the country's very cheap eating stalls – has seen Singapore's ruling People's Action Party face recent challenges at the ballot box in the 2006 and 2011 general elections. This has compelled the government towards new rounds of social expenditure to address social discontent, despite a long legacy of resistance to traditional forms of social-democratic ('Western'-style) welfare, and despite too the endorsement of 'tough love' and efforts towards setting up the 'right incentives' and 'managing expectations' (Rodan, 2016).

This portrait of unequal development in places previously heralded as developmentalist is further highlighted when the country is compared against South East Asia's third-richest nation on a per capita basis (after the oil-rich Sultanate of Brunei), Malaysia (USD$11,307; Gini: 46.2, 2009), also considered a 'soft authoritarian regime' and previously also described as developmentalist in orientation. Despite having achieved certain per capita outcomes that compare favourably with many other countries, Malaysia (see Jarvis, this volume) now finds itself struggling with a low oil price (oil-related tax receipts account for around 30 per cent of public revenues), the slowing of Chinese growth (the country is China's largest South East Asian trading partner), a dramatically depreciating currency (the ringgit recently hit lows not seen since the 1997–8 crisis), rapidly declining foreign investment (with many talking about high relative wage costs and 'human capital constraints') and restive politics that display little chance of abating given the current 1MDB scandal relating to alleged abuse by high office of a strategic state fund. Importantly, the current atmosphere has been met with a combination of old repressive methods (in 2015 Amnesty International noted that ninety-one people were arrested, charged or investigated using the 1948 Sedition Act), with serious attention given to journalists and satirical cartoonists (Sadiq, 2016). Crucially, the nature of economic development in recent times has brought into question the notion that the policy sets adopted by the country, which previously involved significant effort by government towards cultivating national industries and sector-specific activity, can continue business as usual. Revealingly, the government's 2010 New Economic Model (NEM) acknowledged slowing productivity, rapidly intensifying global competition and being stuck in that increasingly common quagmire that seems to finally put to rest the possibilities of 'take-off' and 'catch-up': 'the middle-income trap'. To counter this and reach high-income status within a decade, the NEM outlined a mix of policies that involved (among other things) shifting from 'dominant state participation in the economy', through targeted large-scale public investment and government-linked companies (GLCs) to 'private-sector-led growth' to 'promote competition within sectors to revive private investment and market dynamism' (NEAC 2010). In stark contrast to the manner in which the economy was previously conceived, the report highlighted the pressures of a globalised world and the urgent need to adjust to this new normal (themes tackled throughout this book in relation to developmentalist orientations that dominated Asian development in the post-war period):

> The old growth model provided three decades of outstanding performance, permitting Malaysia to provide health and education to its people, largely eradicate poverty, build world-class infrastructure and become a major exporter globally . . .
>
> But the progress we have made over the past half-century has slowed and economic growth prospects have weakened considerably. We are caught in a middle income trap – we are not amongst the top performing global economies. Amid changes in the external environment, many of the policies and strategies we used to achieve the current state of development are now

inadequate to take us to the next stage. The government must confront these realities and make tough decisions.

We urgently need radical change in our approach to economic development which will be sustainable over the long-term, will reach everyone in the country and will enable Malaysia to reach high-income status … The [National Economic Advisory Council] believes that by consistently implementing bold policies across eight [Strategic Reform Initiatives], the fundamentals of doing business in Malaysia will be changed from the old approach, enabling the private sector to step up and make a full contribution to growth (NEAC 2010).

While Indonesia (US$3,491; Gini: 36.8, 2009; also see Davidson, this volume), South East Asia's largest economy and the world's fourth most-populous country, was perhaps never as overtly celebrated as a developmental state, it nonetheless embraced many *dirigiste* policies in the past. However, it too is facing the reality of the world market and the fact that decades of relatively high growth rates from an incredibly low base does not development make. Moreover, both state and multilateral assessments of the country speak precisely to the sorts of dilemmas now faced by countries in the region. As South East Asia's only G20 member and the world's tenth-largest economy in purchasing-power parity terms (World Bank, 2015a: 5), Indonesia has gone through considerable political and institutional change since the 1997–8 crisis, with the shift from the authoritarianism of Soeharto's New Order to democracy, not to mention considerable economic liberalisation such as that associated with retail, telecommunications and air transport (ibid.). To be sure, the dramatic rise in conspicuous and other forms of consumption in Jakarta and the even faster rates of growth found in second- and third-tier cities has been phenomenal. As anyone who has found themselves caught in one of Jakarta's infamous *macets* (traffic jams) knows, new car ownership has increased dramatically in recent years, signalling the arrival of new purchasing power and an expanded middle class that has enjoyed new access to credit. Also telling, the largest single orders for both Boeing and Airbus were placed by an Indonesian carrier, highlighting the rapid expansion of domestic air travel in a country set to emerge as the world's fifth-largest domestic air market (Natahadibrata, 2015). Yet despite these indicators of increased consumption, a familiar set of negatives – including slowing poverty reduction, increased inequality, productivity challenges and truly colossal environmental problems[1] – has accompanied economic expansion. As the World Bank notes in its latest Country Partnership Framework (CPF),

> Indonesia's achievements are now under stress, with a slowdown in its commodity driven economy, stagnant rates of poverty reduction and rapidly rising inequality. Poverty reduction has begun to stagnate, with a near zero decline in 2014, the smallest reduction in over a decade. As measured by the current national poverty rate of 11.3 percent, there are 28 million poor people in Indonesia. At the same time, inequality is increasing. Between 2003 and 2010, consumption of the bottom 40 percent grew at 1–2 percent annually, while that of the two richest quintiles grew by about 6 percent. Consequently, the Consumption Gini coefficient, an indicator of inequality, rose from 30 to 42 over this period, amongst the fastest widening of inequality in East Asia. The future of the bottom 40 percent of the population is further clouded by high inequality of opportunity, one-third of which is attributable to circumstances of birth (gender, ethnicity, birthplace or family background). The levels of maternal mortality (190 per 100,000 live births) and child malnutrition (37 percent of under-five children are stunted) are more aligned with the poorest countries of the world than with the vast majority of middle income countries. Indonesia is also facing rapid rates of deforestation and land degradation which have a disproportionate impact on the poor (World Bank, 2015a: 5).

Tellingly, the country's Masterplan for Acceleration and Expansion of Indonesia's Economic Development (MP3EI) – 'to create a self-sufficient, advanced, just, and prosperous Indonesia' – evinces cognisance of many key issues facing the country and, much as is the case for Malaysia's NEM, overtly charts a new market-oriented/pro-private sector development path that contrasts markedly with the past, aligning with the sorts of policy advice that emanate from the World Bank and OECD. Here, the plan speaks of the centrality of the private sector in Indonesia's future and of the importance of institutional reform to improve the business and investment climate, and places a large amount of emphasis upon public–private partnerships to deal with

[1] Paramount among these has been land clearing for palm oil and other agricultural activities which has had truly devastating local and regional impacts. In addition to serious outcomes in terms of health and biodiversity, October of 2015 saw vast swathes of land set alight that released daily carbon dioxide emissions of 15.95 million tonnes a day, exceeding those of the entire US economy (World Bank, 2015b).

the country's serious infrastructure constraints (Co-ordinating Ministry for Economic Affairs, 2011). As with many other countries within the region – which were unambiguously characterised by *dirigiste* policies and institutions or central planning – Indonesia's current policy preference, at least as officially articulated, shows important breaks with the past in terms of policy and institutional form as necessary to propel growth and reduce poverty, despite the complicated politics and patrimonialism that shaped, and indeed continue to shape, outcomes.

This emerging picture of the demise of business as usual continues to be evident in North East Asia, a region that was at the centre of excitement over late development and, indeed, the ostensible role of particular institutional arrays in this. While never conceived of as a developmental state, Hong Kong was celebrated, often by neoliberals, for both its market-friendly institutions (including rule of law) and efficient bureaucracy during the heyday of the developmental state period and the general excitement around late development in Asia. The city now stands out, however, for its starkly contrasted mix of winners and losers resulting from the region's growth trajectory under globalisation, being one of the world's richest but also most unequal cities (US$40,169; Gini: 53.7, 2011; *Doing Business* ranking in 2015: 5). With the city's days as an important centre for garment and electronics manufacturing long since passed, its role as a financial and logistics intermediary between the mainland and the outside world rapidly diminishing, the city is now characterised by stalled social mobility, sky-high property prices (in 2016 Hong Kong had the most expensive housing market globally for the sixth year running, with a median flat price equating to record-breaking nineteen times median pre-tax income), vast swathes of urban decay and infrastructure that regularly contrasts poorly (the MTR train system and airport aside) with the more modern elements of what lies just across the increasingly porous border with mainland China. Importantly, 2014's large-scale Occupy protests gave voice to the increasingly disenchanted (calls which were also reflected in rising levels of xenophobia), many of whom were facing diminishing prospects in a city famed for its dominance by tycoons. Moreover, despite consistently doing well on *Doing Business* rankings and seen as wedded to the rule of law, anyone with a working knowledge of property rights, land use and laws generally in the New Territories (which in reality are determined by a mix of indigenous status, gender and, of course, money and power) or who has attempted to renew a work visa or a car licence will tell you that per capita GDP figures and international rankings belie a reality of uneven and frequently next-to-non-existent rule application and inefficient and anachronistic colonial-style bureaucracy.

Across the border, the post-reform growth of China has had dramatic impacts both internally, regionally and internationally, also pointing to unequal and permanently in-flux realities. Take, for example, the gateway city of Shenzhen, which exposes the observer to the economic heartland of China's industrial revolution, the Pearl delta region. Situated around Guangzhou, a mere 120 kilometres from Hong Kong, the 'Pearl River Mega city' comprises a population of 44 million people with a GDP per capita of approximately US$22,000. China's fabled opening to the world commenced in this very region, with Shenzhen China's first 'special economic zone' allowed to experiment with market capitalism, which transformed the city from a population of 314,000 in the late 1970s to over 10 million today – a rate of expansion that made it the fastest-growing city in the world in the 1990s and 2000s and an important target destination for large numbers of migrant labourers that would collectively end up constituting the largest mammalian migration on the planet (Shenzhen Statistics Bureau, 2015: 4, 12). Yet China (with a per capita GDP of US$7,590 and an estimated Gini of 46.9) too reflects the uneven and fraught nature of contemporary patterns of development. Here a massive urban–rural divide; slowing growth driven by excessive reliance on expansion of debt and fixed investment; vast overproduction (of housing and steel, for example); record capital outflows (US$679 billion in 2015); and mass unprecedented concerns relating to standards, governance and the environment envelop a country still a long way from escaping middle-income status (Dibb and Lee, 2014; Donnan, 2016).

In North East Asia's earlier economic powerhouses, Japan and Korea – both seen as quintessential 'developmental states' – the picture is also one increasingly characteristic of the period in which we live, with intensifying patterns of capitalist competition exacting their toll on countries that had previously appeared to be rare examples of, and indeed models for, late development. Japan's 2014 GDP per capita of USD$36,194 (albeit a figure approximating what it was in the mid-2000s), its global brands, and its impressive infrastructure characterise a country that was justifiably at the very core of discussions around the role of the state in fostering all-too-uncommon developmental outcomes. Indeed, the country's impressive post-war reconstruction and transformation were both the subject and inspiration for several important schools within development literature – with modernisation theory and, later, statist positions prominent in this respect (see Stubbs, Carroll and Jarvis, this volume). However, while there has been talk of the return of the formerly powerful Ministry of International Trade and Industry (now the Ministry of Economy, Trade and Industry – METI) as part of the Abe government's attempts to stimulate the economy, the situation is substantially different from the post-war period when MITI could make production decisions to 'turn spoons into golf clubs' (Lewis and Inagaki, 2016). Once the very vanguard of the proverbial flock of flying geese, the country has seen many jobs and much industrial activity taken up by other members of the flock. Hon Hai Precision Industry's (Foxconn's parent company) recent takeover of the globally known Japanese company Sharp – founded in 1912 and famous for its expertise in solar panels and LCD displays – is emblematic of these shifts, with the Taiwanese company's purchase coming on the back of Sharp having been undercut on price by both Taiwanese and South Korean companies and, instructively, after lenders favoured selling to the foreign company over a Japanese government-funded bailout (Harding and Inagaki, 2016). All of this is in a country that recently registered record levels of poverty (16 per cent in 2014) where welfare applications exceeded two million for the first time ever (after an all-time low in the mid-1990s), with the government languishing under gargantuan amounts of public debt and attempting to cut benefits. Importantly, the famed 'jobs-for-life' culture attached to large conglomerates has been increasingly displaced by increasing amounts of casual and part-time employment (both now account for nearly 40 per cent of the workforce – or just under 20 million workers) (*The Economist*, 2015).

In South Korea (2014 per capita GDP: $27,970; 2013 Gini: 0.30), initially an important beneficiary of the flying-geese model, impressive growth (the country has been one of the best performers in the OECD in recent years) has been accompanied by alarming warnings about 'hollowing out', rising inequality and inadequate redistributive and other welfare arrangements (social spending by the state as a percentage of GDP is under half the OECD average). The country that produced global conglomerates such as Samsung, Hyundai and LG, and which featured so prominently in development discussions of the

1980s and 1990s, is increasingly linked to serious structural problems, including 'high household debt, a lagging service sector and weak small and medium-sized enterprises'. Large numbers of the country's population (up to one-third of wage earners) are now classed as 'non-regular workers' and many jobs have effectively been transferred to cheaper sites of production such as China, reversing the patterns that underpinned both impressive industrial development and – after much labour repression – gains for Korean workers. Moreover, as a country often characterised as both prioritising family and conferring respect on older people, 49 per cent of the elderly live in relative poverty, with around only a quarter of this demographic receiving benefits from the state pension system (OECD 2014: 2).

Rationale for the Volume

The vignettes above point to rapid and substantive transformation for the states, societies and economies of Asia that demands revisiting some key debates over institutions, development and state–society relations. The contributors to this volume each acknowledge that institutional and other changes in the region have occurred, although as the reader will discover, individuals depart on both the degree and form of change. As we make clear in the first chapter, as editors we see both the degree and form of deeply related transformations in the region and global political economy as rendering many of the mainstream statist perspectives and policy prescriptions associated with the developmental state (and *dirigisme* more broadly) highly problematic, if not anachronistic. In a world comprising global value chains aided and abetted by the soft infrastructure of neoliberal trade and capital arrangements, we see countries increasingly enmeshed within a world market system that heavily constrains policy options in a manner that aligns closely, or at least heavily references, core policy elements within World Bank and OECD toolkits (Carroll and Jarvis, 2015c). To be sure, different nation states have been bequeathed with different endowments and historical and political experiences, which have played important roles in terms of conditioning marketisation and other policy outcomes. Some nation states have been able to be more selective in terms of postponing marketising policy shifts than others or, perhaps, put more precisely, extant constellations of interests in certain jurisdictions have been able to maintain certain institutional elements from which they derive some form of material and/or legitimation benefit more than others. However, no nation state has been afforded the luxury of stasis, maintaining wholesale the original developmental, *dirigiste* or central planning arrangements that characterised significant portions of the region just several decades ago. We see this as reflecting the fact that nation states face increasingly limited non-revolutionary alternatives in terms of policymaking under late capitalism, a reality that is associated with gains for certain interests (such as competitive fractions of domestic capital and transnational capital) more than for others (such as less competitive fractions of capital and labour) and which changes important relationships, including those between state and capital, challenging the relevance of idealised state–capital relations and technocratic bureaucracy captured in notions of 'embedded autonomy'. While the Cold War and the post-war economic expansion provided reconstructing and newly independent states with a certain latitude to align with one of the superpowers, enjoy technology and capital transfer, profit from favourable trade status that was determined by political loyalty rather than adherence to liberal economic ideology, and choose non-liberal development policies, this era has come to a close. When particular constellations of interests, and in particular elite interests, buy into a world market system – and almost all, in one way or another, now have to – they are ultimately disciplined by its strictures and contradictions, albeit in variegated and often unpredictable ways. Indeed, it is instructive that discussions of conditional lending (big in the 1980s and 1990s) and the comparative merits of *dirigiste* policies no longer occupy scholarly circles in the manner in which they once did. Here, the reality of policymakers voluntarily concerning themselves with *Doing Business* rankings, for example, indicates that a certain 'there-is-no-alternative' mindset now permeates well beyond ministries of finance to line ministries, regional and local governments, private sectors and non-governmental organisations (NGOs) in the race to secure foreign direct investment (FDI) and growth. This said, as the reader will discover, we and other contributors to the volume also see considerable contestation and unevenness in the processes of marketisation in the region and believe this warrants fresh scholarly analysis.

The volume brings together a variety of political economy and public policy oriented positions that are united in analysing the uneven evolution of new public management and neoliberal agendas (efforts towards reordering state and society around market lines) in Asia.

Taken together, the contributions explore emerging empirical realities of marketisation in Asia and the degree and form with which marketising modalities have taken root, impacting upon relationships between state, market and society. In an elementary sense, the volume's contributors were asked to answer the question whether they saw evidence for the undoing of *dirigiste* and other non-market policies in particular countries and sectors within the region. As editors, we had seen considerable evidence over the past decade or more to suggest that this was indeed happening, but we wanted to bring together scholars who had long studied both the developmental and other state forms in Asia and who had relevant sectoral expertise to be able to drill down beyond institutional analysis to unpack the empirics and theoretical importance of particular policy shifts. Put another way, what we wanted to do with the volume was go back to the question of the state and state transformation in Asia and ask central questions regarding state constitution, economic management, state–society relations and development.

Structure and Contributions

The volume comprises two sections: Part I offers a set of conceptual chapters that build on broader debates within political economy and international political economy pertaining to developmental and other non-neoliberal state forms and their evolution and possible transcendence in the Asian context. Part II presents thematically and country-oriented cases of state transformation in contemporary Asia.

In the first chapter of Part I (chapter 2), Stubbs describes the key facets of the classic developmental state, focusing upon the internal and external dynamics that permitted its ascendancy, moving on to describe catalysing transformations in the regional and global political economy that influenced this state form. He presents a framework based around 'contesting coalitions' as useful for conceptualising how particular coalitions of interests associated with, first, the developmental state and, later, neoliberalism are crucial in the advance of various institutional and other agendas. Stubbs's analysis, much like that of several other contributions to this volume (see Carroll, Jarvis and London, for example) highlights the politics of state transformation in Asia, prioritising the relationship between domestic politics and institutional form and the relationship of these with broader internal and external dynamics (such as the competitive pressures associated with an increasingly integrated global political economy and the ascendancy of market-oriented policy sets that have accompanied this). In chapter 3, Hayashi implicitly distances herself from some late statist positions that saw the burgeoning interest by neoliberals in the importance of the state as evidence of some degree of convergence between developmental state and post-Washington consensus institutional approaches, making clear important distinctions between the two positions. However, while she acknowledges that the external conditions that were once so congenial to *dirigiste* regimes have largely come to pass, Hayashi also sees evolution and persistent interest in developmental state positions by scholars and policymakers facing underdevelopment and persistent poverty.

In chapter 4, Carroll conceptualises state transformation in Asia in relation to the contradictory evolution of capitalism and the battles between interests (such as fractions of capital and labour) nested within this context. Focusing on the case of South Korea, yet in consonance with several other contributors to this volume with their sights trained on other settings, Carroll argues that the Fordist/nation-state-centred development projects of the post-war period have given way to a much messier reality in which the interests of both transnational and competitive domestic fractions of capital (the latter's interests increasingly becoming transnational in nature) have heavily conditioned institutional transformation. While Carroll portrays a general shift that can be observed in state form, he sees this as contested, yielding variegated market state forms rather than a simple facsimile regulatory state (as critiqued by some statist scholars). Resonating strongly with Carroll's analysis, in chapter 5 Cammack takes a classical Marxist approach, emphasising that the grand battle of competition between states has, within the context of a consolidated and hyper-competitive world market, given way to competition between capitals, 'in processes of production that are increasingly fragmented across different national-political jurisdictions'. For him, as for others (see Carroll and Carroll and Jarvis, this volume), the historically unique and transitory period that gave rise to developmentalist possibilities beyond liberalism/neoliberalism has given way to grand pressures that demand that states, aided and abetted by international organisations such as the OECD and World Bank, focus on producing 'optimum conditions for capital to reproduce itself', with obvious implications for state form.