

DISCIPLINE AND DEVELOPMENT

*Middle Classes and Prosperity in East Asia
and Latin America*

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PUBLISHED BY THE PRESS SYNDICATE OF THE UNIVERSITY OF CAMBRIDGE
The Pitt Building, Trumpington Street, Cambridge, United Kingdom

CAMBRIDGE UNIVERSITY PRESS

The Edinburgh Building, Cambridge CB2 2RU, UK
40 West 20th Street, New York, NY 10011-4211, USA
477 Williamstown Road, Port Melbourne, VIC 3207, Australia
Ruiz de Alarcón 13, 28014 Madrid, Spain
Dock House, The Waterfront, Cape Town 8001, South Africa

<http://www.cambridge.org>

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First published 2004

Printed in the United States of America

Typeface Garamond #3 11/12 pt. *System* L^AT_EX 2_ε [TB]

A catalog record for this book is available from the British Library.

Library of Congress Cataloging in Publication Data

Davis, Diane E., 1953–

Discipline and development : middle classes and prosperity in East Asia and
Latin America / Diane E. Davis.

p. cm.

Includes bibliographical references and index.

ISBN 0-521-80748-4 – ISBN 0-521-00208-7 (pb.)

1. Middle class – East Asia. 2. Middle class – Latin America. 3. Industrialization – East Asia.
4. Industrialization – Latin America. I. Title.

HT690.E18D38 2003

338.95 – dc21

2003051487

ISBN 0 521 80748 4 hardback

ISBN 0 521 00208 7 paperback

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AN INTRODUCTION TO MIDDLE CLASSES, DISCIPLINE, AND DEVELOPMENT

The Middle Classes and Economic Growth

One of the most commonly held assumptions in the field of development is that middle classes are the bounty of economic modernization and growth. As countries gradually transcend their agrarian past and become urbanized and industrialized, so the logic goes, middle classes emerge and gain in number, complexity, cultural influence, social prominence, and political authority. Yet this is only half the story. Middle classes *shape* industrial and economic development, rather than being merely its product; and the particular ways in which middle classes shape themselves – and the ways historical conditions shape them – influence development trajectories in multiple ways. This is especially true in late industrializers. Whether they choose rapid and successful export-oriented industrialization (EOI) grounded in an integrated and robust sectoral development based on strong forward and backward linkages, or whether they remain overly wedded to industrial policies that protect import-substitution activities (ISI) and reinforce sectoral imbalances and a disarticulated domestic economy careening from one economic crisis to the next, will depend on the alliances, character, composition, and political sway of their middle classes, both rural and urban, and the extent to which these forces and conditions engender strong state disciplining of capitalists and laborers in the service of national development.

This claim rests on several interrelated premises, themselves built on a definitional understanding of middle classes as comprised of three basic occupational categories: 1) *salaried employees* in commerce, services, industry, and the professions, as well as those employed by the state;¹ 2) *self-employed* artisans,

¹ In Marxist terminology, salaried employees would include both semiautonomous wage earners and managers, two different categories of middle classes defined by their contradictory class location between capital and labor. See Wright, *Class, Crisis, and the State*. For more on this, see Appendix B.

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craftsmen, and other independent rural and urban-based producers, who in developing countries are frequently called petty commodity producers (or yeomen farmers in the rural sector); and 3) owners and operators of *small enterprises*, including family firms, in service, industry, and agriculture.² Granted, nothing raises the academic red flag faster than the concept of the middle class. Perhaps the best statement on this comes from Loic Wacquant, who charges that the “epistemic ambition of defining, once and for all, the ‘real’ boundaries of the middle class is doomed to failure because it rests on a fundamentally mistaken conception on the ontological status of classes: the middle class does not exist ready-made in reality.”³ And I agree. Still, if one is interested in understanding this particular occupational range of difficult-to-categorize social forces that are pervasive in most late industrializers, it is necessary to begin analysis from some vantage point. I chose the notion of middle classes and use the above definition because it is the most consensual and inclusive in accommodating this occupational range while also spanning the classificatory lexicon of multiple theoretical perspectives. (For more on this logic, and further discussion of “middle classes,” see Appendix B: Defining the Middle Class.)

The first leading premise of this book is that under certain historical, cultural, political, and discursive conditions, key actors in one or all three of the above classified occupational groupings will see themselves, their social and political dynamics, and their economic policy priorities as sufficiently distinct from large industrialists and wage laborers to suggest some form of “middling” class identity. When they do, they will enable the state’s use of a variety of measures to politically and economically *discipline* capitalists and laborers for the purpose of generating national prosperity and balanced growth. With capitalists and laborers strictly disciplined in this manner, the economy is less prone to distortion and waste, industrial policy decisions are more likely to be made with long-term frameworks in mind, national industrial growth objectives are more apt to be achieved, and sustained macroeconomic development is more likely to materialize. We call administrations that pursue these policies *disciplinary regimes*. In contrast, where middle classes are absent or politically weak, states are less likely to impose discipline and more likely to accommodate the demands of capital or labor in ways that allow rent-seeking, short-term profit maximization, higher wage rates, and/or protectionist measures that in

² For a general theoretical understanding of the middle classes, both new and old, I draw upon the important work of the following authors, among others: Abercrombie and Urry, *Capital, Labor, and the Middle Classes*; Wright, *Class, Crisis, and the State*; Carchedi, “On the Economic Identification of the New Middle Class”; Goldthorpe, “On the Service Class”; Ross, “Marxism and the New Middle Classes”; Burris, “The Discovery of the New Middle Classes”; Hindess, *Politics and Class Analysis*; and Wacquant, “Making Class.”

³ “Making Class,” p. 57.

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the long run limit firms' capacities to compete domestically and abroad. We call these *accommodating regimes*.

A second main premise of this book is that among the fractious groupings that comprise the middle class(es), it is those in rural as opposed to urban locations who endow the state with its greatest disciplinary capacity vis-à-vis capital and labor, thus making rural middle classes especially critical to a nation's developmental prospects. Rural middle classes are defined as those self-employed, salaried, or small-scale producers whose economic livelihood is structured primarily around agricultural activities. Whether directly involved in agricultural production on small or family farms, or in town-based activities linked to trade, exchange, or even processing of agricultural goods produced on farms, folk are considered rural if they see themselves and their economic priorities as spatially and socially linked to agriculture and the development of the countryside more than to industry and the development of cities.

It may seem counterintuitive to suggest that successful patterns of industrial development rest in the cultural orientations, social networks, and political relations between rural populations and the state. After all, in the social sciences these forces are more likely to be identified as critical in studies of revolution, not macroeconomic development;⁴ and if they are seen as central in the latter body of literature, they are more often than not conceived as “fettters” on development, an idea that can be traced to Marx but has reappeared in a variety of forms since his time, especially in modernization theory. The failure to examine rural folk generally and rural middle classes in particular is also due to the fact that most contemporary development scholars who study late industrialization focus primarily on the state alone or its relations to urban classes, since cities are where one encounters what are generally thought to be the principal protagonists of industrial development and thus modern economic growth – ranging from owners of large manufacturing firms and their industrial workers to more affluent folk who consume these processed industrial goods. Yet by focusing on cities to the exclusion of villages and the countryside, development theorists gloss over the rural context of industrialization and economic growth and the possibility that small-scale rural producers may influence or affect states in ways that can guide the overall contours of national development policy, be it ISI, EOI, or a hybrid combination of the two.

Several decades ago this urban bias in development studies was not so well entrenched. During the 1960s and 1970s, Alain de Janvry and others made great advances in linking the state of rural agriculture to national development trajectories by examining the negative impact of sectoral disarticulation (i.e., insufficient articulation of agricultural and industrial production) on both rural progress and national economic growth. One of the most popular claims

⁴ The best statement on this can still be found in Skocpol's *States and Social Revolutions*. The seminal equivalent in the developing country context would be Paige's *Agrarian Revolution*.

associated with this school of thought was that truncated or distorted industrial development owed to the inordinate political power of large landlords whose capacities to set the basic terms of macroeconomic policy in their favor through exchange rates, pricing policies, investment in infrastructure, subsidies, etc., disadvantaged industrial manufactures. Yet with a very few exceptions, including recent work by Cristóbal Kay,⁵ the concern with agricultural growth and rural class structure has slipped off the research and policy-making agenda since the 1980s, perhaps because cities have continued to grow and industries continue to locate there, provoking many contemporary scholars to assume that these developments are the key to national progress.⁶ This book attempts to bring the rural perspective back into studies of industrial policy making by highlighting its enormous significance for late industrialization in Latin America and East Asia.

In light of these aims, more recent work by Jeffrey Sachs is distinctive primarily because he is one of the few who focus on rural conditions as a key determinant of the ISI-EOI divide in late industrializers. Like Kay, who argues that without state policy measures that produce agricultural growth with equity, successful industrialization will not materialize, Sachs focuses on the economic problems posed by depressed agricultural conditions and how to counteract them. And, like Kay, Sach argues that sustained “rural influence” will tip the balance against inflationary import-substituting regimes by spurring the state to set “realistic” food prices and favorable exchange rate policies, thereby strengthening a country’s balance of payments situation and reducing the likelihood of external debt.⁷ Sachs, however, links rural “influence” to population distribution and the ways that demographic patterns uphold political power in the countryside, in a way that suggests that all one needs to know is whether more of a nation’s populations live in rural as opposed to urban areas. This book offers a related but theoretically distinctive approach. It suggests that the key to understanding development lies not in a focus on rural-urban demographic balances more generally, or even the power of rural landlords, as suggests Kay,⁸ but on the middle-class character and composition of the countryside, and especially the extent to which small-scale rural producers and suppliers wield political influence within the state.

⁵ See *Asia’s and Latin America’s Development*.

⁶ Some of this may owe to the fact that de Janvry’s 1981 book, *The Agrarian Question and Reformism in Latin America*, was rather pessimistic about the prospects for sustained rural development in capitalist economies. De Janvry’s normative emphasis on the contradictions of commercial agriculture, even in the context of land reform, may in fact have pushed policy-oriented scholars to bypass the agrarian question altogether and, therefore, to turn their full attention to industrial policy instead.

⁷ “External Debt and Macroeconomic Performance in Latin America and East Asia,” p. 550.

⁸ *Asia’s and Latin America’s Development*, pp. 27–28.

State Discipline and Development

Of course, a countryside dominated by large landlords might be equally likely to push national policy makers to set realistic food prices and favorable exchange rates. But it also would be prone to rural poverty or rural class polarization, conditions that further limit self-sustaining rural development. Large landlords also would be less willing to push the state to invest in widespread rural credit, education, and other factor inputs that lay the foundations for longer-term productivity and growth. If it is smaller farmers and other small-scale agricultural producers, processors, or distributors politically calling the shots, however, not only do we generally see more government support for these types of policies, we also are more likely to see national policy limitations on luxury imports and other goods associated with higher income consumption and/or modernization. This is because rural middle classes are more likely to fashion themselves, their political allegiances, and their economic policy demands as distinct from urban-based capitalists than are affluent landlords – who in the late-developing world frequently are interlocked with the banking and industrial elite. In short, rural middle-class political influence translates into a different combination of industrial and agricultural policies than does rural elite or rural poor influence; and it is the particular combination of development policies grounded in rural middle-class political sway that is most generative of successful development trajectories.

State Discipline and Development

Equally central to the argument presented here are both the notion of state-imposed discipline and the ways that middle-class political sway sustains the late-industrializing state's disciplinary capacity. Some of the most groundbreaking work on East Asian development traces macroeconomic successes to the state's regulatory actions vis-à-vis industrial firms. In the terminology and thinking of scholars such as Alice Amsden and Robert Bates, it is the imposition of performance standards, and the use of these standards as a benchmark for determining future financial support or privilege, that most engender successful industrial development. When the state applies performance standards, there is no free ride for big industrial firms; rather, they are required to show evidence of productivity and economic success in return for continued state support or accommodation.⁹ To be sure, it could be argued that all capitalist

⁹ One way to assess the developmental outcomes associated with these disciplinary measures is to understand what happens at the microeconomic level when performance standards and strict control over banking capital are in fact absent. In such conditions, capitalists and laborers receive financial support, preferential treatment, or accommodation of demands (be they related to wages, prices, protection, financing, or lowered taxes) whether or not they meet sales, manufacturing, or productivity targets. Rather than discipline based upon performance standards, the state plays the role of benefactor no matter how successfully industrialists and

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states impose regulations and, by so doing, discipline in some fashion. But most scholars who recognize this as a positive externality associated with state power do so only when these disciplinary measures are applied to labor. State efforts to regulate or interfere with private-sector activities, in contrast, are usually seen as obstacles to market growth and economic prosperity. And for many, it is market discipline that is considered most central to development success, with state action seen as getting in the way of this.¹⁰ I take issue with this bias and argue that state actors can indeed be central protagonists in economic discipline, especially when they are middle-class-embedded.

To suggest that the relationship between the state and middle classes can shape development trajectories is to depart from the common view of the state and its relationship to classes in the late-industrializing world. Most scholars assume that “developmental” states are autonomous, not class embedded,¹¹ and that autonomy – be it derived from internal bureaucratic dynamics,¹²

laborers meet national economic development priorities such as achieving market competitiveness or increasing national wealth without producing inordinate deficits, inflation, or foreign exchange balances. Trust that capital and labor will work conscientiously to achieve national development goals, rather than actual performance indicators grounded in an environment of discipline, governs the state’s expectations in granting developmental assistance in these accommodating regimes.

¹⁰ It is of course true that market dynamics, or discipline, can be used to prod performance gains or inspire capitalists’ self-regulatory measures. After all, state controls on banking and the setting of performance standards, among other possible disciplinary actions, are frequently fueled by the state’s desire to have key economic actors “work” the market to its greatest potential (and, by so doing, achieve performance goals). It is for precisely this reason that so many scholars assume that the East Asian tigers are developing their economies around free-market dynamics. But in many of those countries, as we shall see shortly, it is the state that is disciplining capitalists’ and laborers’ relationship to the market, not merely the market itself laying disciplinary foundations.

¹¹ The argument was that *autonomous* states – or those not beholden to capitalists – were a key force behind successful development. Much of the work on this topic was inspired by *Bringing the State Back In*, coauthored by Rueschemeyer, Evans, and Skocpol, which contained several articles on the state and development in newly industrializing countries. Yet one of the best statements on the class context of state autonomy in late industrializers is still one of the first: Hamilton’s *The Limits to State Autonomy*. A more recent and equally compelling work that situates East Asian state autonomy in class, cultural, and historical conditions is offered by Castells in “Four Asian Tigers with a Dragon Head,” who argues that the destruction of the oligarchy and an attendant debilitation of the capitalist class – along with strong sentiments of nationalism and a disorganized and repressed working class – explain state autonomy and developmental successes in East Asia.

¹² Among the best works that focus on the workings of the state as an autonomous bureaucratic institution are Amsden’s *Asia’s Next Giant*, Alam’s *Government and Markets in Economic Development Strategies*, Haggard’s *Pathways From the Periphery*, and Wade’s *Irrigation and Agricultural Politics in South Korea* and *Governing the Market*.

world-systemic and geopolitical conditions,¹³ domestic or international fiscal constraints,¹⁴ and/or accelerated class conflict between capital and labor¹⁵ – gives certain states the developmental capacity to introduce sound macroeconomic policies even as it prevents them from becoming predatory in terms of rent seeking or other economically disastrous policies. Among the few scholars who do choose to examine state-class articulations, the preferred partner for the state is almost always capitalists,¹⁶ at least if the state is considered to be developmental. This focus on the positive developmental gains of state and capitalist-class embeddedness was first proposed by Peter Evans in his seminal book *Dependent Development*,¹⁷ and later articulated even more expertly in a theory of state-capitalist class embeddedness in his equally groundbreaking study *Embedded Autonomy: States and Industrial Transformation*. Our model shares this appreciation for the notion of state-class embeddedness, but focuses on the state's embeddedness with middle classes as laying the foundations for economic progress or, in our terminology, for *disciplinary development*.

By examining the middle-class contours of late developmental states, like Peter Evans we proceed under the premise that some form of class embeddedness is necessary in order to prevent rent seeking and other forms of predatory behavior that often arise when the state is so institutionally autonomous that it acts with impunity and disregard. But our model presupposes a slightly different understanding of who gets disciplined, by whom, and why. To be sure, I acknowledge that the notion of state autonomy used by so many other

¹³ See Stallings, “International Lending and the Relative Autonomy of the State”; and Glasberg, “International Finance Capital and the Relative Autonomy of the State.” One of the most provocative and compelling case studies available that links domestic state autonomy to global conditions, both geopolitical and economic, is Woo's *Race to the Swift*.

¹⁴ See Fitzgerald, “The Financial Constraint on Relative Autonomy.”

¹⁵ See Anglade and Fortin (eds.), *The State and Capital Accumulation in Latin America*; and Gulalp, “Capital Accumulation, Classes, and the Relative Autonomy of the State.”

¹⁶ Exemplary in this regard were Eckstein's *The Poverty of Revolution*, and Waisman's *The Reversal of Development in Argentina*, both of which examined the relationship between capitalists and the state. The writings of Gary Gereffi, John Walton, and Alejandro Portes also took a similar view, although they more purposefully integrated a domestic focus on capitalists and the state with an analysis of global conditions. See Gereffi, *The Pharmaceutical Industry and Dependency in the Third World*; and Portes and Walton, *Labor, Class, and the International System*.

¹⁷ In this book, rather than pitting global explanations against domestic ones, Evans integrated a focus on global capital with an understanding of domestic capitalists and their relations to each other and the state. The book was very important at the time because it challenged some of the central tenets of dependency theory. Indeed, its main argument was that the global context of accumulation did not impede development because industrialization and some degree of economic progress were indeed occurring; rather it structured and limited the capacity of domestic industrialists to initiate development without the aid of multinational capital.

development scholars may appear to closely approximate what I mean by the middle-class-embedded state, at least to the extent that such a state will not be acting in the interests of capitalists. Generally speaking, however, the notion of state autonomy – at least as it has come to be defined – presupposes a state that acts independently of all class forces. Our disciplinary states, on the other hand, have identifiable class foundations – primarily rural middle class – that sustain a government’s will and capacity to discipline capital and labor.¹⁸

How this dynamic works is well seen in one of the most effective forms of state discipline imposed on private-sector actors, which is government control of banking and investment capital. With such measures, the state holds the power to limit capitalists’ capacities to spend themselves into or out of a market collapse or production dilemma. This constraint places considerable limits on individual firm strategies for weathering a difficult supply or demand situation, but it also limits inflation and the unproductive use of scarce financial resources in ways that may be good for the economy as a whole. This example is particularly relevant to the middle-class-based argument presented here because it reveals the way that state disciplinary measures (performance standards, government control of banks, etc.) frequently force big industrial firms to *behave like small producers*. That is, these measures generally insure that large firms work in the context of strict financial constraints and market unpredictability, turning only to their existent resources (and not a financial bailout) as they struggle to meet performance targets.

State discipline also can come in the form of macroeconomic regulation and not merely microeconomic restrictions on industrial firm behavior. Generally understood, macroeconomic policies are those that affect or establish aggregate demand conditions (while microeconomic policies affect supply conditions). States of the Keynesian variety traditionally have used macroeconomic policy to stimulate demand for productive investment with the expectation of drawing the private sector away from unproductive (or perhaps even speculative) activities, to great developmental success. A disciplinary state takes this logic even further by regulating and controlling conditions of demand across almost all fronts simultaneously, not just domestic and international but also

¹⁸ Granted, most scholars have operated under the premise that autonomy is defined in terms of the state’s institutional or policy-making independence from capital or labor, and thus what we see as a middle-class-embedded state they would see as an autonomous state precisely because neither capital nor labor is in the equation. It is important not to confuse cause and effect. One should not fall into the tautological trap of assuming that states which discipline capital and labor are autonomous. States may be able to cultivate policy-making independence from capital and labor, or discipline them, precisely because they count on middle classes as their principal source of legitimacy or political support.

rural and urban.¹⁹ Measures intended to control demand conditions include agricultural and industrial pricing policy, the setting of exchange rates, and the establishment of interest rates to channel savings for national investment. The state's aim is not just to intervene in both domestic and international markets to bolster demand in some general sense but, rather, to link aggregate demand to the microeconomic management of supply conditions (and vice versa), and to relate both sets of measures to domestic production and consumption. Such robust state control of both supply and demand conditions is rarely understood to be a feature of capitalist states, since this practice is more commonly identified in communist states with centrally planned economies. What differentiates our disciplinary regimes from communist regimes, however, is not just the fact that both domestic and international markets serve as principal reference points around which microeconomic and macroeconomic policy measures for supply and demand management are crafted, but also the fact that profit making and capital accumulation are still principal aims. It is just that both are to be achieved within a framework that subordinates them to a hierarchy of class and social needs in which the rural middle class – rather than the usual suspects, “mass” society in communist states or big industrialists and perhaps even organized labor in their capitalist counterparts – leads the pack.

Once we recognize that it is primarily the state's rural middle-class foundations that help politically establish this particular hierarchy of class needs and social aims, we further understand why these states are prone to apply their micro- and macroeconomic regulations on the basis of a sectoral logic as well, mainly for the purpose of nurturing the productive gains of rural producers. This can be done directly, through rural pricing and other policy prods and infrastructural investments, or indirectly by channeling the activities of urban-based capitalists and laborers to contribute to overall rural aims. Among the many policy measures that frequently are used to achieve such gains are those which guarantee the existence of small and medium-sized plots for self-cultivation (i.e., land reform), those which keep the internal terms of trade relatively favorable to agriculture, those which help generate forward and backward linkages in rural areas and between them and cities, and those which increase domestic and international demand for goods produced in and

¹⁹ The distinction between the concept of disciplinary regime and those strongly interventionist states frequently called “developmental states” is also worth noting. Practically all late-industrializing states, whether democratic or authoritarian, autonomous or class embedded, protectionist or market oriented, are highly interventionist; and most have the capacity to impose some form of regulation or restriction on micro- and macroeconomic activity. But not all states with the capacity to intervene in the market will discipline both capitalists and laborers in ways that aid the development process, and sometimes their interventions make it easier for capitalists to sidestep market constraints.

by rural sectors. In the context of late development, achievement of these sectoral aims often requires considerable foreign exchange earnings and/or high savings rates, with both deposited in state banks or a state-regulated financial sector, as well as monetary policies and other measures to keep overall inflation rates low. Yet just as telling, the achievement of these goals generally presupposes aggressive state support for export-led industrialization rather than import-substitution industrialization, not only because the former would be expected to generate export earnings but also because it would not overly disadvantage rural over urban sectors of the economy even as it kept overall domestic consumption down and thus savings high, owing to the paucity of industrial goods for purchase.

Development scholars might be quick to note that many of the disciplinary measures and policy components I identify as comprising this *disciplinary regime of development* already have been promoted or implemented in the developing world, albeit perhaps under a different rubric; and some already have been identified as producing great successes. For example, the importance of recasting industrial policies to nurture exports rather than imports of processed industrial goods is one of the most popular ideas these days, seen as a magic bullet for many late-industrializing countries. The emphasis on rural development and the value of balancing rural and urban development have also had their day in the sun, two aims that are equally reflected in this model. As noted earlier, it was not that long ago that scholars such as Alain de Janvry argued that governments which supported agriculture along with industry were more likely to generate balanced economic growth and eliminate income extremes, with more recent work by Michael Lipton and his colleagues underscoring the positive economic impact of farm-nonfarm linkages on reducing rural poverty in ways that parallel the disciplinary regime's efforts to coordinate cross-sectoral gains.²⁰ So too Cristóbal Kay's emphasis on agriculture-industry connections as central to East Asia's economic success vis-à-vis Latin America seems consistent with my claim, although he identifies the timing of agrarian reform and the state's autonomy – not middle-class embeddedness – as key to this outcome.²¹ Where my approach – and this model of disciplinary development – differs from these authors' is in its recognition of the fact that it is the

²⁰ The way this works is well specified in Hazell and Haggblade's "Farm-Nonfarm Growth Linkages and the Welfare of the Poor," pp. 190–204 in Lipton and van der Gaag's *Including the Poor*. They argue that "non-farm linkages generated by technical change in agriculture can enhance both growth and its poverty-reducing effects" because a "growing agricultural sector demands non-farm production inputs, and supplies raw materials to transport, processing, and marketing firms. Likewise, increases in farm income lead to greater demand for consumer goods and services" (p. 190).

²¹ In fact, in Kay's conception of rural class structure, middle classes are practically absent, as evidenced by the subtitle to his most recent monograph on Latin American versus East Asian

combination of each of these particular industrial and agricultural development priorities that brings great gains, and in its recognition of the fact that it is an aggressively interventionist state embedded with rural middle classes that husbands this outcome through use of microeconomic, macroeconomic, and sectoral discipline.²²

Middle Classes and the Cultures and Practices of Self-Discipline

So why is it that rural middle-class embeddedness produces a state committed to the imperatives of capital accumulation and eager to prod market gains by microeconomic regulation of individual producers, willing to connect agriculture and industrial exporting, yet also keen to manage and regulate the macroeconomy, its sectoral contours, and its key protagonists with harsh disciplinary measures? This is where an understanding of the notion of discipline as a cultural construct enters the picture. Earlier we defined discipline in terms of state-sanctioned microeconomic and macroeconomic regulations and sectoral priorities whose purpose is to coerce firm output or aggregate productivity while fostering rural development and overall economic growth. Here we focus attention on a disciplinary ethos which assumes a certain degree of austerity, self-regulation, and self-imposed personal restraint marshaled in the service of an individual producer's output or productivity. When this type of disciplinary ethos infuses both society and the state, and vice versa, the developmental gains are enormous.²³ For precisely this reason, we use the notion of

development, in which he targets "Landlords, Peasants, and Industrialization." See *Asia's and Latin America's Development*, pp. 13–14, 27–28, 44–45.

²² Understanding the rural middle-class, disciplinary, and statist dimensions of this model not only allows us to differentiate what I am calling a disciplinary regime of development from other development models built around a rural *versus* urban orientation or a prioritization of EOI *over* ISI, it also allows us to understand how this development model differs even from that promoted by rural oligarchies sharing power with urban industrialists, a very prototypical model for many late-industrializing countries. In these instances, the government also had fostered a macroeconomic connection between rural and urban sectors of the economy and microeconomic support for both large landlords and urban industrialists. But without a rural middle-class disciplinary orientation built into the model, there was practically no disciplining (only accommodating) of rural landlords or urban capitalists and laborers. The result was often the worst of both worlds: a highly protected, uncompetitive version of ISI coexisting with the development of large-scale agribusiness, two sets of activities which often work at cross-purposes in terms of foreign exchange policy and which ultimately lead to the development of an unstable economy unable to develop one or the other sector completely, let alone establish a synergy that leads to greater gains for both.

²³ Our desire to link the emergence of disciplinary regimes both to state institutions and the political or cultural practices of middle classes also draws inspiration from Philip Gorski's

disciplinary *regime* of development to emphasize that the foundations of economic success are most entrenched when discipline comes from both “above” and “below,” existing as an ethos that permeates both state and society.²⁴

To be sure, middle classes do not hold a monopoly on the disciplinary ethos, be it directed toward self or others. Such behaviors are often variably displayed, owing to personal idiosyncrasies, family upbringing, or general cultural and moral practices emergent in subgroups or societies at large. Capitalists often ruthlessly discipline their workers. Certain religions also advocate discipline. But there also is something about middle-class work aims and practices that is central to the development of a disciplinary ethos, especially as applied to self. Derek Sayer, for his part, defines the middle-class mentality constitutive of a disciplinary ethos. It is one in which “both the idle poor and the idle rich are equally deserving of condemnation,”²⁵ and where middle classes hold certain expectations of themselves in terms of ability, shrewdness, industry, providence, and thrift, to paraphrase Chamberlain’s classic phrase.²⁶ A deeper logic underlying such self-consciously aggrandizing claims would be that those who are self-employed depend considerably on their own expenditures of energy and the deployment of their own labor in activities that self-reproduce their

efforts to distinguish between and rearticulate disciplinary “carriers” and “strategies” (sometimes referred to as “disciplinary ethics” and “disciplinary techniques”) in his study of early modern state formation. In “The Protestant Ethic Revisited” (p. 270) Gorski argues that “a social group acts as a *carrier* of discipline to the extent that it bases its status claims and strategies of domination on discipline. An institution [read state] forms part of a disciplinary *strategy* to the extent that its operation and legitimacy are premised on certain disciplinary techniques and ethics. New disciplinary carriers and new disciplinary strategies generally emerge together. The ideal and material interests of a carrier group affect how disciplinary strategies are institutionally deployed. Conversely, the character of available disciplinary techniques conditions the formation of carrier classes.”

²⁴ To advance my thinking about the origins, meaning, and dynamics of discipline in this more ubiquitous sense, I also find Foucault’s *Discipline and Punish* to be quite helpful, precisely because it examines the pervasiveness, centrality, and significance of social norms and constraints and how they manifest themselves in disciplinary and regulatory practices both imposed by the state and embodied in individuals. In that sense, Foucault’s understanding of the combined effect of coercive discipline (imposed by powerful institutions like states or organized religion) and self-discipline (as embodied in the social norms and practices of individuals and society) is similar to mine. Where I differ is by locating the origin of the disciplinary ethos in certain class foundations, and not merely in society or institutional structures of power more generally.

²⁵ *Capitalism and Modernity*, p. 131.

²⁶ Lewis and Maude, in their study of the English middle classes, cite Joseph Chamberlain’s claim as archetypal: “I belong to the middle class, and I am proud of the ability, the shrewdness, the industry, the providence, and the thrift by which they are distinguished, and which have in so considerable a degree contributed to the stability and prosperity of the Empire.” See *The English Middle Classes*, p. 37.

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own livelihood.²⁷ Thus the values of thriftiness and industriousness often hold meaning to middle classes themselves, even if their monopoly on such virtues is questionable. And for rural middle classes, especially small farmers, the commitment to discipline will be even greater.

Some of the elective affinity between rural middle-class location and discipline owes to the fact that small-scale agrarian production, by its very nature, generally entails a much greater degree of self-regulation, austerity, and savings than urban-based artisan production. This probably holds true whether rural production is for use or exchange value. This is not to say that surviving in rural areas is merely a matter of will and disciplined effort; nor is it to suggest that urban residents do not gain from a similar self-disciplinary ethic. But in the countryside, the conditions of self-reproduction are directly in an individual's (or family's) hands. To be sure, any differences in degrees of disciplinary orientations across city and countryside will be historically specific, with these dynamics playing out differently in different locales and in different historical moments. Yet no matter the time period, small-scale farming and other forms of agrarian production are extraordinarily difficult activities requiring considerable self-discipline, savings, and austerity. Even Lenin affirmed this idea in his analysis of nineteenth-century society where he argued that small agricultural producers, or what we might term the rural middle class, may be among the most self-disciplinary and hardworking social forces, having "reduce[d] their needs to a level inferior to that of wage laborers and exert[ing] themselves in the work incomparably more than the latter do."²⁸ This is still true in much of the developing world.

The general idea that something about agriculturally based self-employment or the demands of small-scale rural production will generate or sustain a self-disciplinary ethos is frequently acknowledged in the work of historians of class and consumption. Robert Redfield, for example, analyzed early economic progress in European locales (where Protestantism was absent, in an effort to test Weber's thesis) and found that rural-based, self-employed, small-scale

²⁷ This claim is relatively compatible with that advanced by Bendix in his seminal *Nation-Building and Citizenship*, in which he sees class and occupational factors as being as relevant as religious affinity in his discussion of the origins of the work ethic. Although Bendix focuses on yet a different historical context than Gorski (see fns. 22 and 29), he also posits an explanation for his subjects' disciplinary orientation that owes as much to work conditions and the requisites of self-reproduction or economic success as to religion and culture. The "ethic of work performance," Bendix claims, "developed among the masses of English workers out of the combined legacies of *craftsmanship* [emphasis mine], the Puritan ethic, and the rising ideology of the individual striving and success – *prior to the growth of modern large-scale industry* [emphasis his]." See *Nation-Building and Citizenship*, p. 183.

²⁸ *The Development of Capitalism in Russia*, p. 7.

producers – or those forces that we might term the rural middle classes – held strongly to values of “hard work, frugality . . . and productive industry as a prime and central duty” that others had identified with the Calvinist middle classes.²⁹ Scholars who studied the emergence of market cultures and class differentiation in later periods also have long documented lifestyle patterns that differentiate rural and urban populations on a continuum of disciplinary behavior. One of the earliest and best-known accounts is that of Frederick LePlay, whose nineteenth-century study found high levels of consumption and spending among Parisian workers when compared to rural populations. He also found that the high wages and high spending of city-based workers led to what Judith Coffin has characterized as “lack of discipline and feckless spending.”³⁰ This stood in stark contrast to the habits and practices of rural folk who, according to LePlay, evinced “less market involvement (less earning and spending)” and “drew on and preserved the resources of land and family” in ways that sustained a much more austere – and morally superior in LePlay’s eyes – set of norms and values.³¹

Granted, much of the austerity and discipline of rural folk in the historical context LePlay examined owed to lack of infrastructure such as good roads, networks of communication, and the transportation necessary to bring goods to the far reaches of the countryside. Thus rural people had little to buy and rural savings often outstripped expenditures. Yet such insights can readily travel to the late-industrializing context, where patterns of rural austerity also owed to key lifestyle differences due to limited developmental gains in the countryside (especially when contrasted to the city), including the fact that rural folk were more likely to be self-sufficient in food and had little rent to pay.³² Indeed, although LePlay was concerned with urban versus rural location and not class position per se, his findings could be applied to the daily lives and

²⁹ See *Peasant Society and Culture*, p. 65. Recent work by Philip Gorski (see fn. 23), who has studied what he calls disciplinary movements in early modern Europe, also hints that an important part of the disciplinary ethos may have owed to the middle-classness of the movement participants, and not merely their religious orientation. Indeed, in highlighting “the predominance of Calvinists within Dutch political institutions” that sustained a disciplinary ethos in society at large, Gorski identifies his key protagonists as “*merchants*, many with Protestant sympathies [emphasis mine],” thereby identifying these individuals in terms of an occupational and class status first, and only secondarily in terms of their religious affinities, which he subsequently acknowledges as less than absolute (“The Protestant Ethic Revisited,” p. 280).

³⁰ “A ‘Standard’ of Living?” p. 9.

³¹ *Ibid.*

³² It is noteworthy that rural-urban differences have existed in most countries throughout most of the twentieth century, even in communist nations where reducing inequalities was an explicit political aim. For more on the latter context, see Merkel, “Working People and Consumption Under Really-Existing Socialism,” pp. 92–111.

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activities of rural middle classes, especially small farmers, with even greater certitude.

Whether in early or late industrializers, farmers tend to exhibit great caution in expenditure and relative austerity in outlook, and this is especially so for smaller-scale agricultural producers whose operations are not large enough to be well capitalized and employ wage labor. The very nature and cycle of agricultural production is usually so unpredictable that most farmers are driven to save more and consume little, particularly when it comes to the purchase of luxuries or other goods not necessary to agricultural production. The impossibility of predicting weather, disease, or other potential obstacles to income generation also mitigates against any regularities or guarantees for self-reproduction, so that adopting a self-disciplinary and austere outlook buttressed by savings is almost a necessity. The seasonal requisites of farming, in short, further reinforce the ethos of fiscal self-discipline and savings, especially if the farmer is producing for exchange rather than use value, since harvests come irregularly and the profits generated from them must last long enough to survive the year (if not another one, failing good weather).

Among the multitude of goods that can be produced on one's own account, in fact, probably the hardest and most unlikely to be shifted in midstream are agricultural goods, since the planting, cultivation, and harvesting cycle unfolds over a set and (more often than not) extended period of time, no matter how much labor is invested and no matter the demand.³³ In the exit, voice, loyalty lexicon of Albert Hirschman, one would say that farmers are most likely to remain "loyal" to their activities, at least from the beginning to the end of the cultivation cycle; and this in itself imposes a discipline on their actions.

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But how exactly will work conditions and/or the requisites of self-reproduction among rural middle classes sustain a disciplinary ethos in both the state and society sufficient to lead directly to developmental gains, especially in late industrializers? I return to the literature on early modern Europe to help

³³ In short, it is not so difficult to imagine why urban middle classes – i.e., those producing on their own account, such as self-employed artisans in cities – might be somewhat less disciplinary than their rural counterparts, at least to the extent that they would not face the same acutely unpredictable circumstances. The very diversity of urban economic activities, and the somewhat greater ease and rapidity with which production orientations could potentially change among urban artisans, make all the difference in the world. And this, in turn, might explain why we often see urban middle classes allying with capitalists: They are more connected in terms of production and consumption dynamics than are rural middle classes, a point to which we return in the upcoming chapters.

answer these questions and, by so doing, to unearth the foundations for a modeling of a disciplinary regime of development that can apply even in the contemporary period. The most powerful reason for revisiting historical literature is the fact that scholars of European capitalist development also have identified middle classes as central protagonists and discipline as a key notion.³⁴ To be sure, most scholars of early modern Europe fail to examine rural versus urban differences in middle-class formation, a key element in our analysis, mainly because middle classes are assumed to be an urban phenomenon – a conceptual bias I take to task in the next chapter.³⁵ Likewise, few who study the early modern experience examine the state's role in development, despite the fact that it is an absolutely central actor in almost all late industrializers and one of the principal agents of discipline examined here. Instead, when the notion of discipline is employed in the literature on “early” industrializers, it is frequently attributed to Protestantism or other normative developments (including the rise of rationality) manifest in European religious history and culture.³⁶ But if we return to this classical literature and examine it anew, there is considerable evidence to suggest

³⁴ Generally speaking, the argument is that small-scale producers sustained the emergence of economies based on the accumulation and reinvestment of capital, leading to the growth of markets and overall economic dynamism in early modern Europe. To be sure, among those who took this position there were differences in the weight attributed to class and material versus cultural explanations for how and why these so-called middle classes mattered. Materialists argued that it was in the economic interests of smaller-scale urban producers to get behind the larger project of capitalist industrialization, either on their own (in the effort to become bourgeois), or in political alliance with a nascent class of capitalists who allied with them in the fight against the economic stranglehold imposed by feudal landlords. In contrast, those more sympathetic to cultural explanations saw values, especially as conceptualized in terms of disciplinary work attributes and orientations, as more central than class, although even Engels produced a provocative argument about the role of religion and the rise of science and mechanics in spurring urban middle classes' defeat of feudalism. Engels, “Socialism,” pp. ii, 102–103 (quoted from Abrams, *Historical Sociology*, p. 45).

³⁵ To be sure, scholars disagreed about whether it was urbanization per se or middle-class formation that was of determinate analytic significance in understanding capitalist development. For example, following Weber's work on the history of cities and capitalist development, Pirenne argued that the development of long-distance trade and commerce in cities was an external factor that accounted for the rise of middle classes and led to the demise of feudalism and the ascendance of capitalism. Dobb, in contrast, focused more on the endogenous character of feudalism and argued that it was because feudal social relations were inherently unstable that the transition to capitalism occurred, a situation that sustained the emergence of cities and urban artisans along with other nascent urban middle classes. For more, see Pirenne, *The Economic and Social History of Medieval Europe*, and Dobb, *Studies in the Development of Capitalism*.

³⁶ According to Weber, the Protestant ascetic would “always demand of the world an ethically rational order and discipline, corresponding to his own methodical self-discipline,” which

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that small-scale rural production, and not merely urban artisanal production and/or Protestantism,³⁷ sustained both discipline and development in “early” developers in ways that show striking parallels to some contemporary late industrializers.

Some of the most powerful evidence for this possibility comes from scholars who still stand as leading interpreters of the early capitalist experience: Max Weber, Robert Brenner, and Barrington Moore. Weber’s discussion of the economic differences between northern and southern Germany in the nineteenth century, Brenner’s work on agrarian class structures, and Moore’s seminal discussion of the different paths to capitalist development all demonstrate an elective affinity between the predominance of rural middle classes and successful capitalist development trajectories. And although none of these works focuses explicitly on the disciplinary orientations of farmers or other small-scale rural producers,³⁸ they all locate the origins of self-sustaining economic development and prosperity in the flowering of these particular class forces, who are more accurately identified as yeoman farmers despite the anthropological propensity to label them as peasants. We see this most clearly with a view to Barrington Moore’s treatment of Great Britain’s economic successes, in which a significant cadre of “middling” yeoman farmers contributed to the commercialization of the countryside. Countries with a polarized class structure, he argues in contrast, where the lord dominated the serf and where few commercially oriented small-scale rural producers materialized, missed out on these early developmental gains. For Moore, then, it was the presence or

can entail “a revolutionary transformation of the world.” See *The Protestant Ethic and the Spirit of Capitalism*; cf. Sayer, *Capitalism and Modernity*, p. 173.

³⁷ Other historians who also have focused on the material conditions underlying middle-class identity include Thompson and Hill, and they too raise questions about the primacy of cultural or religious explanations for the disciplinary ethos. According to Sayer, they and others “stressed that this capability of Protestantism to confer respect – and respectability – on the everyday activities of the ‘middling sort’ . . . was one reason for its widespread appeal in a society already moving in the direction of capitalism” (*Capitalism and Modernity*, p. 131). Christopher Hill takes this argument one step further by noting that world economic fluctuations made these early modern middle classes economically vulnerable, thereby pushing them to Calvinist conversion in the first place, in order to weather the difficult times. See “Protestantism and the Rise of Capitalism,” pp. 45–47.

³⁸ This is also true for Weber, author of *The Protestant Ethic and the Spirit of Capitalism*. Although he was clearly interested in cultural and religious differences (especially Protestantism versus Catholicism), in a separate discussion of small farmers and their role in producing regional disparities within Germany he took a much more materialist view and examined distinctions in property ownership and size, particularly how and why the small-farmer economy of certain regions of Germany sustained regional prosperity and self-generative development (while large landlord-dominated areas did not).