

State–society relations in the Far East and Sub-Saharan Africa: Conceptualizing the effects of globalization

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Abstract

According to the textbook approach to the developmental states of the Far East and South East Asia, the state has been considered as a strong and autonomous entity. Although its bureaucratic elite has remained isolated from direct pressures stemming from society, the state capacity has also been utilised in order to allocate resources in the interest of the whole society. On the other hand, the general perception of Sub-Saharan Africa (SSA) has been just the opposite. The violent and permanent conflict amongst rent-seeking groups for influence and authority over resources has culminated in a situation where states have become extremely weak and fragmented, while society – depending on the capacity of competing groups for mobilising resources to organise themselves mostly on a regional or local level – has never had the chance to evolve as a strong player. State failure in the literature, therefore, – in the context of SSA – refers not just to a weak and captured state but also to a non-functioning, and sometimes even non-existent society, too. Recently, however, the driving forces of globalisation, as well as the effects of the current economic crisis might have triggered serious changes in the above described *status quo*. In the paper, we explore what effects globalization may have had on state-society relations in Sub-Saharan Africa, and also try attempt to measure these changes. We find contradictory results: many formal changes have occurred, but the main dynamics remain the same.

Keywords: developmental state, state and society, South East Asia, Sub-Saharan Africa

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1. Introduction

Due to the lack of market institutions, most of the newly independent colonial countries expected the start of economic development and wealth accumulation (often referred to as the “big push”) from the state (or more specifically the government).¹ The first generation of development economists argued accordingly that whereas developed industrialised countries could lean on both the coordination mechanisms of the market (to a larger extent) and the state (to a lesser extent) in their advancement, the so-called late-comers could not rely upon the former. Thus, changes should have been promoted and sustained in principle by the state solely (Meier 2001: 14-15).² The missing or incomplete markets, along with the abundance of market failures, made the idea of state activeness rather attractive in the developing world. The state was expected to be responsible for the accumulation of physical capital, the creation of infrastructure, the development of agriculture (and consequently the relief of undernutrition and famine), the absorption of labour supply, the provision of education, etc.³

The state was envisaged by the economics profession (both mainstream and non-mainstream) as a closed, unitary entity, which – in principle – should simply set the target lines and find the appropriate tools for changing the economic environment. The idea of a “benevolent social planner” referred to an agent who was able to recognise under all circumstances what the country’s interest was and how this interest could be best implemented. The social planner functioned thus as a kind of instrumental actor who did not follow its own interest; instead, it worked exclusively for the benefit of the whole community.⁴

Retrospectively, it seems evident by now that both professional economists and policymakers were wrong in their naive belief with regard to the omnipotence of the state. Paradoxically, the state was expected to deliver unprecedented results in countries where this newly established entity itself had hardly any experience in achieving a successful transformation of the whole economy and society. Such a misperception of the state was, in fact, part of the explanation why the bulk of former colonies failed to catch up to the club of developed countries. Trying to solve this puzzle, the second generation of development economists, who returned to the credo of neoclassical economics, claimed that it was the failed public and economic policy which caused the fiasco.⁵

However, policies themselves are endogenous, too, in the sense that they are the result of a *decision-making process* which is constrained by several factors that include the diverging interests of a high number of actors. The paper argues accordingly that the great number of failures is not simply the result of failed public policies, but the inappropriately interpreted role of the state, and the lack of knowledge and capacity for managing the development process – in short, the “weakness” of the state. We share the view of Joel Migdal (1988:10-11) who argued that there was a strong association between the weakness and corruptness of the public sector and the state administration on the one hand and the failed development path

¹ See especially the work of Rosenstein-Rodan (1961).

² Even the birth of development economics itself was due to the fact that the change from the state of underdevelopment to a modern economy required a new, specific discipline which was sensitive to the troubles and needs of the developing countries and applied a holistic and interdisciplinary approach (Todaro 1997).

³ The most well-known concept was developed by Nehru and was referred to as the consensus of the Indian Congress Party (see especially Waelbroeck 1998).

⁴ Additionally, according to this view, the state operated in a vacuum, independently of the direct and indirect effects of society, culture, history, etc.

⁵ See especially the reasoning of Krueger (1993), who pointed out that while market failures were taken into account quite seriously in the developing world, no such attitude prevailed in relation to the state or government failures.

on the other hand in the least developed countries. In our analysis, however, we will contrast the poor development performance of the least developed countries (focusing on Sub-Saharan Africa exclusively) with the success stories of East and Southeast Asia, countries which started their miraculous economic transformation from the same level of development on which the African countries were at that time and which now belong to either the group of advanced industrialised countries (the NICs) or the middle income group (Southeast Asia).

Concentrating on the post World War II development path of these two regions (Africa and Asia), we would like to unfold what were the determining factors which made it possible for some countries to join the group of developed countries, while others failed in this quest. In searching for the relevant answer we go beyond economic analyses and rely on the concepts and methodologies of comparative political science and sociology, and modify the research question accordingly as to why only a few countries succeeded in establishing the institutional setup of “strong” states, thereby creating fruitful, sustainable state-society relations, while other ruling elites failed to do so.

Since our ultimate aim is to understand what role the state played in the success of East and Southeast Asia and why the same results were not delivered by Sub-Saharan Africa, the first task is to conceptualise the state – part 2 offers just this. In part 3, the main characteristics of the Asian developmental states will be collected. In part 4, the failed development path of Sub-Saharan Africa (SSA) will be reflected upon. In part 5, we attempt to conceptualize and measure the changes induced by globalization in state-society relations in SSA. Part 6 concludes the paper.

2. Conceptualising the state

From relatively early on, pluralist theories considered the state as no more than an arena of the constant struggle among competing groups. Public policy was, therefore, the result of the complex net of competition, conflict and compromise. The dominant perception of politics was that the institutionalised competition served the interest of the general public well. Compromise and conflict-resolution was seen as an integral part of political life, which also enhanced general welfare. In fact, it was the struggle itself that made it impossible for any group to grasp power for a longer time and to impose its will on the minority permanently.

Public choice theory, however, departed significantly from the normative statements of early pluralist theories and claimed instead that the state could be best interpreted as a kind of transfer state. The ultimate goal of the constant struggle of individuals (voters for instance) and groups (such as various lobbies) is the capture of distributional sources and – eventually – political/economic power (Buchanan et al. 1980).⁶ Nothing can guarantee, therefore, that first-best policies would always be adopted by politicians. What might be desirable in case of a benevolent social planner might not be attainable at all in reality. “Even if economists do have ideas for appropriate policies – even if they do agree on what has gone wrong and how to put it right – will government policy makers listen to them?” asked Meier (1995:579), thereby grasping the contradiction between normative economics on the one hand and real-world

⁶ Politicians who represent the state are, in turn, not searching for the best available policy while making policy choices, because they are also interested in maximizing their own net payoffs. In fact, the wealth status and the survival of politicians depend largely on how appropriately they can satisfy the demands of different societal forces.

phenomena on the other hand. In fact, the ultimate bottleneck in economic development may not be good public policy but good (enlightened) politics (Grindle 1991).⁷

While pluralists theories – along with Marxist theories – considered the state as a non-coherent, non-unitary actor which is not capable of defining and pursuing its own interests, based on the historic experience of the industrialisation of advanced countries, Polányi (1947) and Gerschenkron (1962) claimed the necessity to investigate the (focal) role of the state in market creation and economic development relatively early on. Nevertheless, it was only the seventies and the eighties which witnessed a breakthrough in the scrutiny of the state. Bringing back the state into the social sciences has been indeed a relatively new phenomenon, as compared to the enormous interest shown towards the study of social forces in politics and especially policy.

The growing size of the public sector in democratic countries, along with the successful development strategies of some Asian countries (the so-called newly industrialised economies), however, made it inevitable to redefine the state both as an independent actor with its own goals and also as a society-shaping entity. In this new approach, the state had become able to structure not just the relationship between civil society and the state but also *within* society (Stepan 1985). The passive state had been replaced by an active one, which was not considered anymore as simply an arena for competing interests but as an institutionalised structure. The state, thus, was able to institute policies without the consent of its governed society. Skocpol (1985:9) rephrased this elegantly as the following: “states conceived as organizations claiming control over territories and people may formulate and pursue goals that are not simply reflective of the demands or interest of social groups, classes or society.”

The new understanding of the state, however, required new concepts and methods as well. Consequently, state-centred approaches turned to on the phenomena of state capacity and autonomy. In strong contrast to the former pluralist and Marxist theories, where societal forces were more able to shape the state (and policy) than the degree to which the state could influence society’s behaviour, the so-called statist theories claimed that the state did have enough autonomy to define its own goals and to transform them into policy choices; and also that the state possessed the capacity to control the society and to implement its goals.⁸

Importantly, the concept of state autonomy does not claim that the government should work and exist in total isolation from societal forces. Evans (1995) argued that states also need to establish linkages to the relevant social actors, which in return could support the state’s vision and policies on development. The term “embedded autonomy” thus refers to a situation where it becomes possible for a country to avoid rent-seeking and capture – a real threat in countries where isolated states do not receive feedback from their societies. In successful nations, the link between the leaders and the society is provided by a competent bureaucracy in practice.

⁷ It seems that economics (public choice and positive political economy) is successful in identifying the reasons of past failures, but it does not tell us much on how to implement future good policies.

⁸ Applying the concepts of Theda Skocpol, state autonomy refers to a situation where the state can formulate its own goals and interests independently from the rest of society and policies are determined in turn solely by the state. State capacity on the other hand describes the ability of putting the chosen policy into practice (getting them implemented) (Skocpol 1985:9). State capacity is a determining factor in whether the state is able to enforce its will or not; and for what kind of relationship has been instituted within the state machinery – not just within the executive or the administrative staff but also between the rulers and the appointed bureaucrats (Grindle and Thomas 1991).

In case of the statist approaches the challenge is to discover and understand how the state organises itself and structures the society, and, moreover, what motivates the agents within the state in their decisions. The term “autonomy” gains true meaning only if it is applied in the context of state actors. In practical terms, a state is considered to be autonomous if both the political elites and the bureaucrats are able to act independently from societal forces.⁹ Ideally, public policies are invented and designed directly by the ruling elites. Moreover, elites working in isolation from vested interests can work effectively for the nation’s interest.¹⁰ An autonomous state, thus, is not simply the reflection of the needs of its citizens, because it can use its capacity and relative autonomy to conduct a strict control over state resources and it can monopolize the supply of certain goods and services.¹¹

As far as the bureaucrats are concerned, two opposing views prevail in the literature. On the one hand, public choice theory assumes that bureaucrats – just like any other individual – are interested in maximising their own utility, which ends up in an ever-increasing budget they preside over. The sub-optimal allocation of resources is the result of the continuous rivalry among actors within the hierarchical structure of the state. People working in the state administration are rent-seeker individuals, whose goal is to capture the consumer surplus by monopolising public decisions (see especially Mueller 1989 or Niskanen 1971). As opposed to this, statist approaches emphasise that bureaucrats also have non-selfish goals; that is, they are willing to work for the public good. The Weberian bureaucrat works hard and obeys the rules because he/she will be rewarded by his/her superior in return. Prestige and income are the functions of the abilities and commitment of the individual and not that of rent-seeking activities.¹²

3. The East Asian developmental states

The Asian developmental states are possibly the most evident examples of a successful transformation in the third world. The explanations, however, differ largely. On the one extreme (which has become the dominant view in the economic literature), scholars put the emphasis on the outward oriented growth strategy along with the relative openness of the countries and the lack or early suspension of protectionist measures (see Balassa 1981). These authors do not deny the fact that Asian countries applied different industrial and trade policies, but the importance of these policies were strongly questioned. On the other side, Amsden (1989) or Wade (1990) claimed that trade openness was simply one (although important) part of the success story of these countries. The crucial factor was properly defined state policy which was quite often selective and biased towards certain industries or even companies. The “appropriateness” of policies, however, required such a state elite and administration which were aware of the long term needs of their countries and had a clear vision about their development path. The Asian developmental states were accordingly entrepreneurs which possessed the relevant degree of autonomy and capacity, by which they could define their goals and could implement their policies.

⁹ In the initiation phase of policy, “autonomy” refers to the discretionary authority of state elites, while in the consolidation phase the term refers to the capacity of the bureaucracy in controlling recruitment, defining its mission and the “boundaries governing relations with social groups” (Evans 1995:24).

¹⁰ Krasner (1978) equates state interest with national interest (where “national” is not simply the sum of individuals’ preferences).

¹¹ In public choice theory, however, the state in its extremist form may behave as a Leviathan (see Brennan and Buchanan 1980).

¹² While in earlier works the ultimate task of the bureaucracy was to manage resources efficiently in order to provide appropriate armed security for the state (Tilly 1985), Amsden (1985) and Wade (1990) showed that successful countries such as Taiwan converted themselves into development states by having used the bureaucracy to extract resources from the society thereby pursuing economic goals instead of security ones.

In the context of developmental states, Wade (1990) argued that success was strongly connected to the ability of the states to define long term economic goals and to allocate resource in the desired way. Studying the Korean development record, Amsden (1989) claimed that the success of transforming the economy and the society depended basically on the strength of the state. She coined the term “strength” with the very same meaning of what Skocpol called capacity; that is, a strong state was defined as the one which “is capable of implementing its own policies” (Amsden 1989:147). Consequently, she stated that “countries are ‘backward’ mostly because their state is weak” (ibid. 147).

Generally speaking, in the Asian developmental states the interests of the ruling elite coincided with the long term interest of the country, as economic development was perceived as an overarching goal. This, however, was not due to the altruism of the elite, but rather to the fact that they realised how much they could gain by actively supporting economic development. The elite also recognised that development fostered the loyalty of citizens and thus it gave a certain degree of legitimacy to their rule. There was also a clear sense of economic nationalism, which was reinforced by historical experiences and security-related motivations (Stubbs 2005).

In East and Southeast Asia, the ruling elite were a relatively closed caste composed of senior politicians and bureaucrats. They had close relations with the executive head of the country, whose personality determined basically whether a culture of development emerged or not.¹³

Importantly, the elite (or the state itself) were capable of formulating economic policies relatively independently from the interests of various societal groups. Day-to-day management of the economy was done by the bureaucracy, and the elite (politicians) took on the task of maintaining the insulation of the bureaucracy (Johnson 1982). External interests (rent-seeking activities) were firmly countered by the authoritarian rulers, which led to a lack of pluralism. Yet, the developmental state hardly abused its autonomy.

Nevertheless, the autonomy of the state did not mean isolation. “Embedded autonomy” prevailed in these countries, which maintained a dense web of ties between the state and the non-state sectors through which the bureaucracy was able to coordinate and manage the economy (Leftwich 1995:408). This relative autonomy allowed the state to formulate clear rules and priorities and to manage the private sector accordingly. The embedded autonomy of the state helped the flow of information and the building of trust. In developed market economies, it is mainly the price mechanism (the market) which coordinates the economy, as the prices reflect all available information on the market and thus provide signals and incentives for the actors (Hayek 1995). In the Southeast Asian developmental states, the network of personal relationships played the dominant role in coordination.

Yet, without a well-trained, Weberian-type bureaucracy, not even the most enlightened elite could have achieved the miraculous performance in Asia. The developmental states consciously created bureaucratic institutions which channelled the opinions and interests of the private sector towards the ruling elite, who strived to take these bottom-up signals into account in their final decisions (Johnson 1982).

¹³ Such leaders include general Park Chung Hee in South Korea, prime minister Lee Kuan Yew in Singapore, Sukarno and later Suharto in Indonesia, Tunku Abdul Rahman, Tun Razak and Manathir bin Mohamad in Malaysia.

What differentiates the bureaucracies of the East and Southeast Asian developmental states from the planning institutions in other developing countries was not just their insulation, but also the fact that they exercised true power. Only highly trained professionals had a chance of entering the bureaucracy.¹⁴ These people shared the vision of the ruling elite concerning the modernisation of their country.¹⁵ The executive heads of the developmental states were aided by various planning and developmental committees as well, which laid out the desired directions of development and elaborated detailed economic plans. Usually two ministries played decisive roles: the Ministry of Finance, as the institution responsible for the budget and economic stability, and the Ministry of the Economy, in charge of growth and structural adjustment. Moreover, the Central Bank, responsible for keeping inflation low and adjusting the money supply to the needs of the economy, was also crucial in the success.

South Korea, Taiwan and Singapore boasted the most successful bureaucracies. These were the countries where financial compensation of the bureaucracy was also the highest. The changes of 1961 in South Korea brought with them the separation of the economic and political elite (even at the cost of expropriations). In the new system personal competence and performance became the most important criteria for determining the salaries in the bureaucracy (as in the Weberian ideals).¹⁶ Some Southeast Asian countries however, such as Thailand, Malaysia or Indonesia were not so successful in insulating the bureaucracy. The reason was the relatively low number of domestic companies and the dominance of multinationals. Usually the bureaucracy had only limited influence on the latter (MacIntyre and Jayasuriya 1995).

It must be added, however, that the ruling elite and a competent bureaucracy could work in relative autonomy from societal forces, only because the latter were weak during the first waves of catching up (Luiz 2000).¹⁷ State power and autonomy were consolidated before national or foreign capital interests became influential (Leftwich 1995). At the start of economic development, the private sector, as well as the civil society, was still weak, or in some cases they were outright repressed.¹⁸ In fact, in East and Southeast Asia, it was the state that facilitated the birth and expansion of the private sector, having the chance to shape ownership structures and the main foci of activities (Amsden 1989). Using an analogy from game theory, the state was the leader and the private sector the follower.¹⁹ This resulted in a close relationship between the state and the private sector.

¹⁴ See the “Berkeley Mafia” in Indonesia.

¹⁵ It is true that the competence and success of the economic bureaucracy have not been even in all Southeast Asian countries. Perhaps the cases of Thailand and Malaysia are the most clear cut exceptions. The bureaucracies in these two countries are weaker and less competent than those of the others, mainly because the army and the public service have been in continuous conflict with the executive apparatus. This was caused by the presence of strong interest groups. The institutions in these countries were much less imbedded and depended to a much larger degree on those in power. True technocrats did not emerge.

¹⁶ Although salaries were not as high in the state administration as in the private sector, countless other incentives were also used. The effects of life long employment should not to be underestimated either. *Amakudari*, or the golden parachute, used in Japan, was also employed in other countries, such as Korea, Taiwan, Singapore and Malaysia.

¹⁷ Either the civil society was weak to begin with, or the authoritarian governments intentionally weakened it (see the case of China or Indonesia).

¹⁸ This is an important factor, as in regions like Latin America, where landowners and foreign companies had strong power over the state, the government was never capable of executing any kind of large scale transformation.

¹⁹ Once again, Thailand and Indonesia are exceptions. In these countries, and especially in Thailand, the private sector was already relatively strong at the time of the economic take off. Malaysia is also a bit different as the government consciously implemented economic policies to favour the bumiputras (the majority of the Malaysian population) against the Chinese minority who composed the economic elite.

Accordingly, no non-state organisation was able to break, or even threaten, the power of the state, and the ruling elite made sure that no such organisation emerged. In the “weak state – strong state” dichotomy of Myrdal (1968), this meant that the state was strong enough to contain (or even destroy) all those social forces, interest groups, institutions and customs which inhibited modernisation and economic growth.²⁰ Although developmental states did frequently violate civil rights, they still did not have such a terrible track record as most Sub-Saharan African countries or other developing nations. Somewhat surprisingly, the increasing levels of welfare did not simply legitimise these regimes, but also made them rather popular among citizens.²¹

4. Failed development in Sub-Saharan Africa

Evidently, following the break-up of the colonial rule, the newly born states of Sub-Saharan Africa were eagerly looking for ambitious plans in order to ensure the political and economic independence of their countries, on the one hand, and to provide a decent life for their citizens, on the other. Still, while governments were strongly engaged in promising a quick and successful catching up and a better-off status on the level of individuals and the country alike, in reality, they hardly managed to succeed. In fact, the weak incumbents were not able to rule and shape their social environment; instead, the latter captured the state and totally dismantled it in a relatively short period of time. Applying the concepts of the statist view, the real difference between the successful developmental states of East Asia and the failed countries of Sub-Saharan Africa was the lack of state autonomy to define goals and policies and the missing state capacity to implement the set targets (that is, the non-existence of a capable bureaucracy).

In fact, the elite in East Asia and Sub-Saharan Africa seemed to have rather different attitudes and motivations. Some of the characteristics of the elite observed in the Asian developmental states were undoubtedly present in Sub-Saharan Africa, too. The presence of a strong (sometimes violent) executive head, authoritarianism and the heavy influence of the military were undeniable in both cases. The most important difference, however, was that in a typical Sub-Saharan African country the interests of the elite and the state diverged evidently. Instead of maximising the country’s growth potential, the elite engaged in widespread redistribution activities in order to gain support and maintain their power, but also for their own enrichment. Promoting development, while extremely important in rhetoric, remained only secondary in practice. The state was *de facto* privatised: the power of the ruling elite faced few constraints and the exploitation of public and private resources for the gains of the elite was deeply embedded in institutionalised practices (Eifert – Gelb – Tallroth 2002).

Importantly, a state cannot be regarded “strong” just because in principle it can possess plenty of resources (in the form of tax or tariff revenues or rents from the export of natural resources,

²⁰ The state could hardly be characterised as an arena of rival interest groups, as it was the case in Sub-Saharan Africa for instance. Admittedly, many Asian nations employed the police or the secret services to monitor and control civil society initiatives. Nevertheless, in order to counterbalance the various forms of social repression, the state also provided an increase in the level of living standards on a constant basis. Especially in East Asian countries, the labour force was weak and unorganised, and in rural areas the state managed to gain supporters by distributing land. The future and prosperity of the entrepreneurial class depended heavily on the benevolence of the state (especially during the first decades of industrialisation).

²¹ All Asian countries put a special emphasis on increasing the quality of health services, increasing school enrolment ratios, developing infrastructure and housing and eradicating hunger. These positive changes have caused many positive externalities, too, such as better health and education, which, in turn, strengthened the capabilities of people, undoubtedly contributing to the increase in productivity.

for instance). The ultimate question of state strength is whether the state is able to use these resources in order to attain its set targets, or do different societal forces block it (Migdal 1988). Furthermore, the state needs its own agents who deliver the targeted outcome. Societal actors, however, can seriously threaten or damage the authority of the incumbents as they grow strong. Most of the governments of the developing countries are, therefore, “weak”, because local authorities create their own “states” and make the people living under their authority loyal to them at any cost. The central authority has no other choice than to agree on a compromise with such regional/local groups (or with some of them at least). The centre has to surrender parts of its resources, thereby ensuring relative tranquillity and peace. The fragmented social structure may create a stable but low level equilibrium.²²

In Africa, however, the state was not receptive of the needs of the society, instead, only the ruling elite and some groups connected to them had an access to state resources. Accordingly, the state failed to offer the prospect of a better well-being, which has led to the high level of discontent among the members of the society. Some of these societal (mainly ethnic) groups, led by the rival elite, were able to organise themselves and, using armed force, strived to capture the state, as they saw this as the only way of getting the state to act according to their interests. The state, as mentioned earlier, was too weak in Africa to counter these threats, and, therefore, it became a battleground for rival social groups.

In the East Asian case, the ruling elite sought to maintain their power by creating popular support through economic development and increasing the well-being of the citizens. In Africa, however, those in power were continuously threatened by the rival elite, who also felt inspired to gain a share from the spoils of the state. In fact, elites have been organised along ethnic lines in typical Sub-Saharan countries, whose relationship was often shaped by a long history of animosity.²³ The lack of trust and the problem of commitment were both able to create a strong sense of uncertainty among the members of the ruling elite. In such unstable political systems, promoting long term economic growth in order to establish a strong popular support and legitimacy was not perceived to be a viable strategy. Instead, the elite in power attempted to buy support by building client networks (Hyden 1983). In the context of ethnic loyalties (and the absence of a free press), such patronage politics could be more cost effective for the elite to maintain their power than the provision of public services (Collier 2007:45). Redistributing state incomes to important societal groups such as the military, the local business elite, tribes and ethnic groups close to the ruling elite, while at the same time repressing groups which support the rival elite has become the norm in many Sub-Saharan African countries.²⁴

²² Migdal (1998) called it the “state in society” scenario. More recently, the terms “failed state” or, in the extreme, “collapsed state” have also become fashionable (see Rotberg 2002).

²³ A frequently cited example is that of Nigeria, where the elite, belonging to the three largest ethnic groups (the Hausa-Fulani, the Igbo and the Yoruba) and hundreds of smaller ones, have been continuously feuding for control of the state since the independence of the country.

²⁴ The politics of patronage was of course present in various Asian developmental states as well, most notably in Indonesia under Suharto. The main difference, however, according to Leftwich (1995), was that the ruling elite of Asian nations maintained a developmental focus, while in Africa the focus shifted to self-enrichment. Neo-patrimonial practices were closely related to corruption and rent-seeking, as they required funds which had to be siphoned away from the state. Corruption and rent-seeking, while clearly problems in Southeast Asian developmental states, also took a highly different nature in Africa. In Asia, corruption was a (temporary) by-product of the authoritarian developmental state, and it did not inhibit economic growth to a large extent. In Africa, however, corruption and rent-seeking were *sine qua non* conditions for the system to function. See for example the case of Nigeria (Collier 2007:47-49). Using cross-country data, Easterly and Levine (1997) have shown that policies adopted by the state usually gave higher possibilities for rent-seeking activities in countries where the level of ethnic fragmentation was higher.

The state accordingly has enjoyed hardly any autonomous status within African countries. Instead, it was basically a captive of the rival elite. According to Callaghy (1987), the state in Africa became a “lame leviathan”, as it was so deeply penetrated by social groups that it was incapable of acting as an autonomous agent. Evans (1995) used the term “predatory state”, referring to the fact that the elites controlling the state used their power to serve their own special interests, regardless of the needs of society as a whole. Particular interests and the pressure for redistribution were strong and the state had little capacity to resist. In the extreme, satisfying the special interests and redistributive pressures coming from powerful groups in the society took up so much of the state’s resources that it hardly had any capacity left to fulfil its traditional roles, such as the provision of public goods and public services, including healthcare, education or basic sanitation (Rotberg 2002).

A partial explanation for the presence of weak and captured states can be that most Sub-Saharan African countries are (still) highly abundant in natural resources, especially when compared to East and Southeast Asia. In turn, state revenues depend heavily on the volatile global commodity prices. High commodity prices can lead to windfall export gains. As shown in the case studies collected in Collier – Gunning (1999), African countries have not been capable of countering strong redistributive pressures during times of such windfalls, and this has sowed the seeds of later crises and rising debt levels.²⁵ The presence of such concentrated natural resource rents can also be an important incentive for rival elite groups to try and capture the state and divert these funds for their own use (Fearon 2005) and can thus partially explain the persistence of conflicts and coups in Africa.

The difference between Asia and Africa, however, cannot be restricted to the different visions and autonomy of the ruling elite. Even if the ruling elite seem to have “enlightened” character, their decisions cannot be implemented without a competent and well trained administration, which is able to withstand societal pressures. As it was underlined earlier, the key component of the bureaucracy’s success in Asia was its (relative) autonomy. Relative, since state bureaucracy in a developmental state is hardly isolated; rather, it serves as a constructive channelling mechanism between the private sector and the decision makers (Evans 1995). It cannot be a big surprise, therefore, that the starkest contrast between the Asian developmental states and Sub-Saharan Africa is related to the power, competence and capacities of the state bureaucracy.

On paper, most Sub-Saharan African countries had planning committees, ministries and other similar institutions with strong authority. In practice, however, these state organs were extremely weak, especially in comparison with their East Asian counterparts. They had no power and no capacity to execute decisions. Long term development plans were frequently overwritten by *ad hoc* decisions of the political elite. The bureaucracy was poorly trained, incompetent and severely underpaid. Corruption within the bureaucracy, both petty and organised, was high.

Well-trained staff was virtually non-existent in African bureaucracies.²⁶ In contrast with Asia, where competence and a good educational background were indispensable for a public service

²⁵ See for example how Kenya squandered the earnings of the 1976-1979 coffee boom (Bevan – Collier – Gunning 1999), or what effects the various oil price shocks have had on the Nigerian politics (Eifert – Gelb – Tallroth 2002).

²⁶ At the turn of the new millennium, only three (!) trained accountants were employed in the entire Ugandan public sector (Van de Walle 2001: 131).

career, in Africa no one in their right mind with such qualifications would have been willing to work for the government. Meritocratic hiring and promotion was totally absent. Rather, public service positions were used as an instrument of the elites to gain loyalty or reward supporters. According to Van de Walle (2001: 133), such “patronage exigencies led many governments to allow the excessively fast growth and africanisation of their administration”.²⁷

Taking the interests of the ruling elite into account, it seems plausible to claim that a weak, untrained and unmotivated state bureaucracy was exactly what they were in need of. The elites did not want any kind of control with regard to their activities. Low state capacity could easily facilitate rent-seeking activities and corruption. The elite, therefore, might have intentionally strived to weaken the administration with low salaries, high payment arrears, bad working conditions, and by hiring and promoting incompetent cronies (Van de Walle 2001). The bureaucracies in typical Sub-Saharan African countries were, consequently, extremely far away from the insulated and professional state administrations of Asia, not to mention the Weberian ideals.

A characteristic feature of African countries was that even various key ministries were unable to fulfil their roles. The Ministry of Finance could not safeguard the budget, as in many cases both revenues and expenditures were recorded off the budget. The Central Bank, instead of pursuing the basic goals of monetary policy, often served only as a banknote press machine. Still, a country cannot function without some sort of executive apparatus, and this was true even in the case of such dysfunctional states as the ones observed in Africa. As the executive head usually sought to centralise power, he built up a structure parallel to the state administration in the Office of the President, through which he tried to bypass the line ministries (Van de Walle 2001). This greatly undermined public administration as a whole, not to mention the waste of resources it caused. Furthermore, all this led to a paradox: while state bureaucracies were incompetent and highly inefficient, they were also very expensive due to bloated staffs, wasteful structures and corruption.²⁸

In spite of the relative weakness of the state, it still managed to play some role in the formation of the private sector. At the time of independence, most Sub-Saharan African elites were heavily influenced by *étatist* development theories, which had a lasting effect on how they dealt with private capital, both foreign and domestic (Easterly 2005). Heavy state regulation, *ad hoc* interventions, state-owned companies and economic planning were all eagerly employed by these countries, all in the name of development. Foreign companies (mainly subsidiaries of multinationals active in the extractive industry) were nationalised in the 1960s and 70s, which, together with excessive regulation and red tape, greatly deterred later foreign investments, at least until the 1990s. The activities of domestic private companies were also heavily curtailed, and the economy was dominated by state owned companies. These state owned companies, however, were extremely inefficient and wasteful.

Patrimonialism was clearly present in the state-economy relations as well. The larger domestic private companies that did emerge were not the fruits of any deliberate private

²⁷ Admittedly, the number of people working in state bureaucracies had seen extraordinary growth since independence in the African continent. Goldsmith (1999: 530), however, argued that the number of employees in the African public sector (as a percentage of the population) was not high in comparison with other developing nations. The problem, instead, lied in the fact that the African states never had ample resources (or the incentives) to pay these bureaucrats properly and in non-inflationary ways.

²⁸ Reforms that concentrate on numbers and downsizing exclusively (such as the ones usually prescribed by the Bretton Woods institutions in the 1980's and 1990's) were certain failures, as they did not address the problems related to capacities and capabilities, not to mention the underlying reasons of bureaucratic weakness.

sector development strategy, but rather of discretionary favours to buy support, such as granting import licences, access to foreign exchange, or various tax breaks. Small companies, on the other hand, were faced by high taxes, corruption and other bureaucratic burdens. Most domestic private entrepreneurs were, therefore, forced into illegality. In fact, it seems that the emergence of a powerful business elite was never in the interest of the political elite.

5. Globalisation: changing state-society relations?

It is clear from the short analysis of the main characteristics of state-society relations in East Asia and Sub-Saharan Africa, that while in Asia the main determinants of success (i.e. state autonomy and state capacity) were present, in Africa they were missing from the start, and the elite intentionally made sure that these characteristics remain missing. Today however, due to globalisation, there is a markedly different international context than during the 1950s and 60s when the development paths of the two regions started to diverge notably. Due to economic globalisation, countries in all regions in the past decades have been forced to open their economies to international trade and international flows of capital. Globalisation also means freer flow of information, ideas, norms, and creates greater transparency. It is a commonplace that the state has lost much of its control over economic processes and economic actors operating within its territory. In Southeast Asia, the 1997 crisis clearly showed that the formerly almost omnipotent state has become incapable of influencing the economic situation in the country. The sustainability of the interventionist, visionary attitude of the developmental state has clearly come under stress.²⁹

On the other hand, globalisation has a clear potential to change state-society relations in Sub-Saharan Africa as well, creating a constellation that may be more beneficial for development. As the current state-society complex seems to be some sort of low level equilibrium, it is plausible to assume that only some kind of external shock can incite lasting change. Even if we admit that the traditional model of the developmental state is no longer valid, that does not mean that changes in state-society relations in Africa would not be desirable. As the effects of globalisation are numerous, in the following we only review a few factors which can have an effect on state-society relations.

Economic globalisation (and, to a lesser extent, pressure from the Bretton Woods institutions) has basically forced the Sub-Saharan African countries to deregulate and liberalise their economies to a significant extent. Import restrictions have been lifted to some extent and tariffs decreased in most countries (Ackah – Morrissey 2005). The economies have been opened up to foreign investments, and domestic enterprises also face fewer constraints than before. Foreign investors, mainly in the extractive, communications and financial sectors are increasingly present in Africa, and they demand stable political and policy environments. Due to these pressures, the ruling elite are forced to reform and have less scope to formulate policies that favour rent-seeking, patronage and corruption.

The international pressure on non-democratic and badly governed countries is also increasing. During the Cold War, Western countries turned a blind eye on the “interior affairs” of African countries. Today, however, the advanced countries, together with the international organisations dominated by them, such as the EU, the OECD or the IMF and the World Bank, are increasingly demanding (explicitly or implicitly) that the Sub-Saharan African countries democratise their political regimes, implement good governance and good policy practices, increase governmental transparency, respect human rights and combat corruption. Developing

²⁹ See among others Benczes (2000) and Brownbridge – Kirkpatrick (1999).

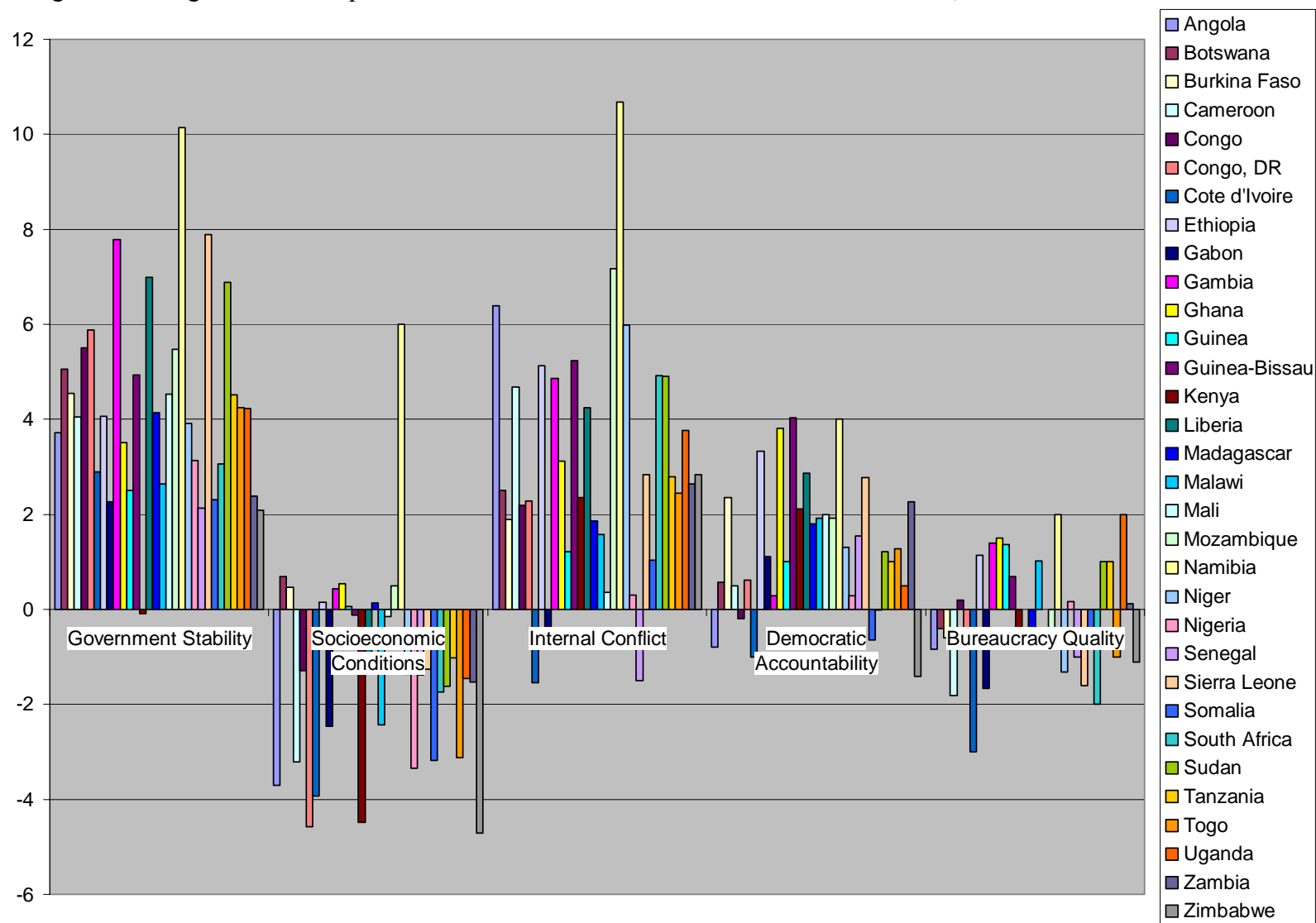
countries with bad economic policies and non-democratic regimes receive less foreign aid than their peers with better policies (Dollar – Levin 2004). International initiatives like the Kimberly Process or the Extractive Industries Transparency Initiative are also forcing the elites into a straightjacket by not allowing them to use natural resource rents for their own goals. The fulfilment of international demands would undoubtedly decrease the space that the ruling elite have to manoeuvre in, and, by making rent-seeking more costly, it could thus force them to concentrate on starting economic growth instead.

The question is: do these pressures of globalisation and the international community actually cause any significant changes in state-society relations in Sub-Saharan African countries? It is of course not easy to draw conclusions regarding this question, and a formal empirical study, identifying not only correlation, but also causation, is out of the scope of our current paper. We do however wish to present some exploratory statistical data. However, it is challenging to find appropriate variables that measure, or at least proxy the strength and the interactions between state and society, and are available in longer time series. Measures based on outcomes, such as growth rates or poverty rates are clearly not satisfactory, as they are affected by a number of factors and thus any change observed in them would hardly allow conclusions on shifts in state-society relations. There is however one set of indicators that may be used, although it is not perfect either: the indicators published by Political Risk Services in their publication *International Country Risk Guide* (ICRG). The ICRG aims to provide investors with a comprehensive overview on how risky investment is in a country, using 22 indicators related to the political, economic, and financial situation of the country. Time series of the ICRG data are available since the mid-80s, so they should be appropriate for our analysis. Also they are available for 32 countries from Sub-Saharan Africa, which represent 85% of the regions population. We have selected the following five measures from the 22 published in the ICRG, as they are the closest to what we wish to look at:

- government stability, which is an assessment of the government's ability to carry out its declared program, and its ability to stay in office;
- socioeconomic conditions, an assessment of the socioeconomic pressures at work in society that could constrain government action or fuel social dissatisfaction;
- internal conflict, which refers to political violence in the country and its actual or potential impact on governance;
- democratic accountability, a measure of how responsive government is to its people;
- bureaucratic quality, measuring the institutional strength and quality of the bureaucracy.

Although not perfect, these five measures do proxy most aspects of state-society relations in a country, as discussed above. To gauge the changes in state-society relations in Sub-Saharan African countries, we compare past and present values of these indicators. Are there any tendencies for change since mid-80's? In order to control for any bias introduced by annual fluctuations in the data, we calculated two averages for all five indicators for all countries. The first average represents the five years between 1984 and 1988, and the second includes the most recent data, the five years between 2004 and 2008. This simple approach of course will not provide us insights on what caused the potentially observed changes, but we will be able to determine whether there is correlation between how globalized the world economy is and how the proxies measuring state-society relations change.

Figure 1. Changes in selected political risk indicators in Sub-Saharan African countries, between 1984/88 and 2004/08



Source: Author's calculations based on Political Risk Services (2009)

Figure 1 shows the changes between the two periods for all 32 countries and all five indicators. As can be expected, the picture is highly ambiguous, and it is difficult to reach any clear cut conclusions. Save for a few countries, government stability and democratic accountability have seem to have improved in all countries from the mid-80's to mid 2000's. Internal conflicts are also less prevalent today then in the 80's (and definitely less prevalent than during the mid-90's). On the other hand, socioeconomic conditions seem to have worsened in almost all countries, as poverty has increased in Africa throughout the 90's and life expectancy has decreased. There is no clear trend in case of bureaucratic quality, which as mentioned earlier is a key component of the development state. Many countries the 80's and 90's were characterized by the decay of government bureaucracy. There are only five countries which have managed to improve their situation in all five measures: Ethiopia, Gambia, Ghana, Guinea and Namibia. This list may seem surprising, but it is beyond the scope of this paper to explain the individual performances of these countries. The list of good performers only increases by a few countries, if we drop the variable socioeconomic conditions from the analysis, which mainly contains outcome variables of the development process (such as the levels of poverty and unemployment, as well as consumer confidence) and may be driven in some part by external factors such as the spread of AIDS.

So it seems that most governments in Africa have become more stabile, better able to implement policies and also more accountable in the past 20 years. The intensity of domestic conflicts has also decreased. However, the quality of bureaucracy has mostly suffered, and living conditions have also deteriorated. How should we interpret these ambiguous findings in light of the development state, and how can we link these to globalization?

In the past 20 years, a wave of democratisation has swept through Sub-Saharan Africa, resulting in the fact that a majority of the continent's countries now have formally democratic regimes, in the Schumpeterian sense. This may explain why we observed the increase in democratic accountability. Nevertheless, these new democracies in Africa are extremely fragile and very far from Western standards and retain many traits of the earlier authoritarian systems. Collier (2007) argues that while most African countries do introduce electoral competition, perhaps the most important formal element of democracy, they often fail to introduce checks and balances on the power of the executives. Without these control mechanisms, the ruling elite (even though they are elected more or less democratically) can still use state resources according to their will. They can use these resources to rig elections and are thus not forced to implement policies that benefit the society, which may explain why socioeconomic conditions have not ameliorated together with democratic accountability.

But even electoral competition is far from perfect. Elections are mired in allegations of fraud, calls for boycotts, civil unrest and even armed conflict. Ethnic cleavages are highly visible in the results. The winning side usually fails to deliver on its promises. Thus, the legitimacy of the ruling elite is continuously questioned. Although they may have some amount of legitimacy among the members of their own ethnic group, but even this source may dwindle, if they fail to fulfil on their promises. Sensing their legitimacy decrease, the ruling elite turn to repression.³⁰ The ruling elite continuously try to modify the laws of the country (even the constitution) to fit their interests.³¹ The peaceful transfer of the executive power is a rare event

³⁰ A clear example of this vicious circle is the current conflict in the Niger-delta region.

³¹ A frequent case is when the executive head of the country tries to modify the constitution to allow him more than two terms in office. The most recent case is that of Niger's president, Mamadou Tandja, who was successful in granting himself the prospect of lifelong presidency, even though the European Union threatened to suspend foreign aid.

in these formally democratic countries. It is safe to assume that even though formal democratisation has occurred in many countries, and governments have become more stable, state autonomy has not increased, as the elite still struggle to capture the state, although in a bit different setting.

The ambiguous picture concerning bureaucratic quality seems perplexing. The research by Knack and Rahman (2004) support our findings, as they state that bureaucratic quality in Sub-Saharan Africa has clearly declined, and it is difficult to find any evidence of improvements since then, even though many African countries have experienced large export earnings due to high global commodity prices. Also foreign aid donors are putting greater emphasis on helping recipient countries build bureaucratic capacity and improve public management.

Although the proxies we have used are far from perfect, they reveal a relatively ambiguous picture on how state-society relations have changed in the past years in Africa. Despite increasing world economic and international pressures due to globalization, the Sub-Saharan African elite seem to have found ways to maintain their earlier low level equilibrium system after some minor superficial changes. Behind this “window dressing”, there is probably no significant improvement in state autonomy and state capacity. Of course these preliminary conclusions maybe proven wrong, as there is large scope here for further research.

6. Conclusion

In this study we asked what were the main determining factors which enabled some countries to join the group of developed countries, while others failed in this quest. We have chosen the Asian developmental states and the Sub-Saharan African failed states in order to provide a plausible answer. Admittedly, several papers have already scrutinised the development paths of Asian and African countries. The novelty of our research project lies in the fact, however, that the two diverging performances were analysed within the *same* framework. Putting both the success and the failed stories into a single framework was not without reason: both groups of countries started their catching up from almost the same level of development. By applying the same set of concepts and methods, we managed to highlight the main differences between the two, i.e., the strengths of the Asian nations and the weaknesses of the Sub-Saharan African countries.

Moreover, the paper tried to combine the merits of both the society-centred approaches, which proved to be helpful in assessing the failed development attempts, and the state-centred explanations, which grasped the very essence of the success of developmental states. In turn, the main focus of our paper was on state autonomy, state capacity and more importantly, state–society relations. The paper argued accordingly that the great number of failures was not simply the result of failed public policies as neoclassical economics tended to argue, but the inappropriately interpreted role of the state, and the lack of knowledge and capacity for managing the development process – in short, the “weakness” of the state and the inadequacy of state–society relations.

More concretely, we have shown that the prevalence of a strong state was the most important factor in explaining the success of those Southeast Asian countries which have managed to catch up to the advanced economies in the past decades. In the successful developmental regimes of East Asia, societal forces such as voters, lobbies, classes, etc. were never able to confront the state (or more precisely the ruling elite and the state administration) significantly. One of the *sine qua non* of developmental states was that it always managed to organise and control its society effectively (Chu 1989). On the other hand, in Sub-Saharan Africa, the most

important characteristics of a developmental state were entirely missing. In fact, it was the societal forces that controlled and shaped the state and public policy. The permanent battle between state and society caused the total paralysis of both entities and the brutal collapse of production (Luiz 2000).

In the era of intensified globalisation, societies may gain some extra weight, thanks to the increased attention of NGOs and the media, but there are no signs for the emergence of a more robust state autonomy and state capacity in Sub-Saharan Africa. In fact, as we have shown, the ruling elites have absolutely no interest in strengthening the state. Although many countries in SSA have become formally more democratic, this was not accompanied by an increase in state capacity and autonomy. More interestingly, globalisation may reshape state–society relations in developmental states, too, by increasing the influence of societal groups and devaluating the strength of the state. At the current level of development of East Asian nations, however, such a change might not necessarily result in a severe downfall; instead, this rearrangement may consolidate past results and pave the way for sustainable development, too.

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