

Interrogations #9, Sociology 924, Session on Waldner, November 6, 2002

Note: EOW comments in red italics

Students comments in boldface

[1] Robyn Autry Memo9: David Waldner

Waldner's explanation for the various developmental outcomes of state intervention hinges on the ability of state interventions to overcome collective dilemmas or obstacles to national growth. He explains the variability of intervention by evaluating or tracing the levels of elite cohesion/conflict within the state and dependence on popular-sector support.

Capital/Developmental State

Waldner seems to downplay the importance of state/capital linkages with regard to the type, timing, and implications of state intervention. It is doubtful that without the involvement of business leaders in industrial planning that the state managers would accurately identify the most suitable economic growth policies. Further, collaboration was also important to avoid the problems associated with reluctant acceptance of the state projects on the part of capital. Also, without state/capital collaboration, public appropriation of private profits for strategic investments could easily undermine the innovative capacities of individual firms. Despite any level collaboration, as Evans observes, the state maintains some autonomy as regulator, responsible for monitoring and disciplining the adoption of and adherence to its economic policies by private capital.

How can we explain the long-term economic vision of Korean and Taiwanese state officials? Waldner observes that state officials had a common economic vision, as did most students, workers, etc., whose protests in the late 50s and early 60s had more to do with frustration over corruption and rent-seeking than with divergent economic visions. What accounts for this common vision, particularly among state managers, as well as a sophisticated knowledge of markets, industrial linkages, etc? Waldner's answer seems to revolve around the lack of state officials' dependence on popular support and preoccupation with re-elections. Yet, this does not explain the degree of technical and economic savvy necessary to draft and implement long-term industrial projects.

[Sarah Swider comment: I think that Waldner suggests that the historical origins of institutional arrangements is important for understanding levels of "elite conflict" and underlying the elite conflict is often different visions of long-term economic development. Therefore, the common economic vision of elites/state officials, in part can be explained by the historical contingencies of the particular country, and this was different in Korea and Taiwan (Taiwan had less intense elite conflict than Korea).]

[EOW comments: You raise a good question, I think: while the lack of side-payments to popular constituencies that come from the cross-class coalition may have enabled the state to pursue a coherent developmentalist strategy, this would hardly guarantee that the political elite had the required vision. So where did this come from? I think what is probably at work here is something like this: except in cases where state elites engage in purely predatory behavior, state elites everywhere believe that it would be a good thing to have sustained economic development in the sense that Waldner specifies. So in one sense, this generic vision is pretty universal. What happens in the constituency clientelism situations is that this generic ambition gets derailed by the costs of clientelism. Without those costs, then there is basically – I think – a kind of trial and error process by which the solution to the Kaldorian dilemma is discovered.]

State Resources

An important difference between Waldner's two sets of cases involves their geopolitical context. The Taiwanese and Korean governments were in an ideal position to gain from both American and Japanese interest in the region. The legacies of Japanese colonialism were such that both Korea and Taiwan could benefit from reparations, including access to new technologies. Likewise, the governments benefited from the United States' preoccupation with the spread of communism and commitment to develop economic

alternatives/market economies in the region. These external resources facilitated the state's ability to initiate production and offer incentives to private capital. This access to outside resources seems to be an important factor, aside from elite cohesion/conflict, that helps explain Korea and Taiwan's development success. **[Sarah Swider comment: Yes, and I think he downplays this variable, both in explaining Korean/Taiwanese success and also in explaining different role that geopolitical circumstances played for Syria and Turkey.]** *[EOW: Another good point. I wonder, however, if the geopolitical situation still required the particular elite cohesion processes. After all, there are other countries in comparable geopolitical situations – the Philippines for example – which never developed the kind of developmental state capacities of these two cases. In the class this might be a good additional case to consider since Theresa knows so much about it.]*

Labor Repression

What were the strategies and tactics the developmental states employed to repress union activity and/or worker protests? What were workers' motivations for going along with the state's plans—were incentives similar to those given to capital created to gain worker cooperation? **[Sarah Swider comment: I am pretty certain that tactics for worker repression was brutal authoritarian oppression, in this atmosphere it seems that it is was not really acceptance by workers as much as no room for maneuvering.]** *[EOW: There is a little tension, I think, in the analysis of labor in the argument. One of the advantages that K&T are supposed to have had by virtue of the absence of state-based side-payments to workers is that this enabled capitalists to solve part of the Kaldorian problem by generating incentives for workers to cooperate in the transformation of labor processes in more productive ways. The populist side-payments were characterized as undercutting this production-centered process. If brutal repression was the full story of the relationship to labor, then this dynamic aspect of the Kaldorian problem would also have been blocked. So, one question is the extent to which some kind of company-based class compromise was formed within the leading sectors of production even if collective action was being repressed. I don't know enough to answer the question.]*

[2] Questions on Waldner's *State Building and Late Development*

Matt Vidal (Comments by Keedon Kwon)

Wow! what an ambitious book. Unfortunately, it is apparently too convoluted for me to understand the theoretical framework. He begins by arguing that it is the timing of popular sector incorporation relative to state transformation that explains institutional outcomes (p. 2). He then develops his causal model, which argues that elite conflict explains this timing. However, he does not convince me that popular sector incorporation is a function of the level of elite conflict. To do so, I think he would have to demonstrate that the level of elite conflict is not itself structurally determined **[Keedon comment: should the 'not' not be dropped?]** — that is, there may be structural factors which may simultaneously generate low levels of conflict and no popular incorporation, or the converse. I cannot demonstrate the alternative (which I don't think he refutes). Rather, I only have questions about particular aspects of his formulation that seem problematic. **[Keedon comment: I think I addressed the same problem in my memo. It seems to me that there is no necessity of the high level of elite conflict going hand in hand with popular incorporation and, conversely, of low level of elite conflict with no popular incorporation. If high levels of elite conflict take place under democratic systems, then it would be reasonable that they be accompanied by popular incorporation. But it would be no less reasonable that high levels of elite conflict be likely to lead to an authoritarian regime in the Third World context. If so, why should they go hand in hand with popular incorporation? More fundamentally, I think this kind of Skocpolian comparative method is highly problematic, as he himself admits a bit in the conclusion chapter. For example, he says the values of the variables, the degree of elite conflict and the economic outcome, are the same for Turkey and Syria. This couldn't be more absurd. Even if the economic outcomes are identical in terms of, say, GDP, they may imply totally different things in other respects. For instance, how can an economy with its emphasis on productivity be the same as another economy driven by simple factor input even when their performance looks similar?]**

[EOW: I think the pivotal question here is what precisely it means, under authoritarian conditions, for elites to use the support of sections of the popular classes as a power resource in the struggle with other factions of the elite. The basic story here is that there are struggles within the elite and that the popular

social forces are somehow available to one or another faction of the elite to be used in this battle. In the electoral contexts, as Matt points out, the rationale here is clear. But in the authoritarian ones it is less clear. And yet, I think, we in fact do observe in authoritarian states concerted efforts to establish such support. Think of the PRI in Mexico, or Peronism in Argentina, or many other examples. Is this because of fears of potential insurrection/mobilization by unhappy elite factions? Is the active consent of segments of the popular constituency necessary for stable hegemonic rule in such authoritarian conditions? In any case, his argument clearly does postulate that it is elite conflict which generates incorporation, rather than both of these being effects of some other cause, since it is the winning elite faction's use of popular support which enables it to win.]

Aren't there any other factors—aside from “elite cohesion”—which affect popular sector incorporation, e.g., class structure, level of class formation, the particular forms of class organizations, economic and political institutions (!), etc.? But before answering this question it may be necessary to more rigorously specify what exactly the elite is, and what qualifies as cohesion. For example, I have to note the following types of elite discussed in the book: state, political, agricultural, traditional, industrial, property-holding, social, socioeconomic, economic. Does this mean that elite refers to any group or individual in any superordinate position, or is it just about state actors, agricultural elites and the bourgeoisie? *[EPW: I think “elites” in this book are a variable array of social positions which control power resources and have strong interactions with the state. The crucial categories that drive his analysis are always state-elites in the sense that it is state-political elites that engage in the generation of side-payments of the cross-class coalition. Within that coalition there are capitalists, possibly landowners, and other nonstate elites, but the central agency for constructing the coalition is an elite within the state].* If the first, then does the criterion of cohesion/conflict refer inclusively to the aggregation of elites in society? *[EOW I think it is always cohesion between state-centered elites and whatever are the pivotal power actors outside of the state.]* If the second, then is it just about class structure and struggle? Yet, in the Taiwanese case, e.g., we see cohesion of the political elite because it “was bound by few ties to existing social classes” (p. 129). Was there no conflict or resistance from agricultural or industrial elites? Does elite cohesion only matter within the state institutions, or within the larger society?

Does the conflict come from the class structure, as he sometimes seems to imply, or does it come from some sort of idiosyncratic group factionalism? And in the end is it all really about success or failure in creating an ideal capitalist, relatively autonomous state? **[Keedon comment: Waldner says that elite conflict is likely to be intense when a reform threatens the material interests of a faction or factions of elite and simultaneously the reproduction of the status as elite. Given this, I think elite conflict as he sees it is likely to take on the form of class struggles between new classes and traditional classes during the transition to modernity. We see this holds for Turkey and Syria. But elite conflict should refer to conflict within a narrower circle of state actors in the cases of Korea and Taiwan because the landed class was almost extinguished or politically very weak there. He argues that when elite conflict takes place this way, it is likely that nothing much is at stake. Hence non-sequential elite conflict that would not involve attempts at popular incorporation.]** *[EOW: I think Keedon has the argument right here. Waldner's analysis is an interesting combination of strong class analysis – since it is fundamentally capitalist/elite class interests that block the developmental projects of state elites, since it is threats to capitalist class interests that lead to the kinds of side-payments that undermine development.]*

[3] Sarah Swider memo (Robyn comments)

I would like to compare Evans' and Waldner's approach to the concept of “rent seeking”. I am not sure if they are both suggesting that “rent seeking” activities can be directed into efficient activities, in terms of economic development, or if Evan and Walder depart on this point. Is Evans suggesting that embedded autonomy allows the state to eliminate rent-seeking activities, (autonomy is represented by a powerful bureaucratic apparatus gives the state the ability to formulate collective goals instead of allowing officeholders to pursue their individual interests and at the same time the embeddedness is represented by links between the state and organized social groups that gain from economic transformation). I am pretty

clear that Waldner suggests that not all rent-seeking behavior is inefficient and shows that Korean and Taiwan entrepreneurs earn rents from state intervention, but only insofar as they engage in efforts to enhance productivity and international competitiveness. I am less clear on how to summarize Evans.

[Robyn comments: Indeed, Waldner observes that rent-seeking is not necessarily inefficient and in Korea and Taiwan has even been productive. Evans treatment of rent-seeking is less clear—I believe he wants to show how the neo-utilitarian prediction that state intervention will lead to greater rent-seeking is not the case for states with embedded autonomy. He also makes some distinction between rent-seeking and rent-creation on the part of the state.] *[EOW: I think Evans uses the term rent-seeking in a pejorative sense of an extraction based on power that reduces efficiency, but conceptually his account of subsidies in Korea is not all that different from Waldner's, and thus I think his theoretical position is not at odds with Waldner on this point.]*

Waldner argues that Korea and Taiwan state building and institutional arrangements preceded incorporation of the lower classes so they were able to have these institutional arrangements in a way that was more conducive to economic development. However, isn't this just another way of saying that economic development is predicated on suppression of the lower classes?

[Robyn comments: Waldner certainly downplays how political repression allowed Korean and Taiwan state building and economic policy formation without the incorporation of the lower classes. He does discuss the widespread protests and social unrest during the late 1950s and early 60s, but sort of leaves things there. Part of his explanation is that social protests were directed at political and economic corruption, rather than calls for drastic changes in state-society relations.]

[EOW: It is kind of hard to read Waldner without thinking that he in fact does believe that repression of popular forces is a necessary condition for a robust developmental trajectory in the contemporary context of third world societies. At a minimum he argues that they must remain non-incorporated, that their wage demands and welfare demands must be resisted. This may not inherently mean brutal repression – after all, Japan managed a developmental state in the 1950s without such repression, and he does include Japan in his model (if only in passing). The Japanese labor movement was defeated, of course, in the late 1940s, but the result was the emergence of company-based class compromise rather than authoritarian repression. On the other hand, Japanese democracy was certainly not very competitive in those years.]

Also, although he suggests that position in global economy is an important independent variable in explaining the incorporation or lack of incorporation of lower classes, he doesn't seem to explore it fully. For example, Korea was able to avoid popular incorporation because of the role of the U.S. in brutal suppression of the strong communist/left movement that was in place after the Korean War. US intervention in Korea continued through the form of massive indirect investment, much in the form of military support. I imagine position in global political economy was equally important in other three cases. If so, could we argue that timing of popular incorporation is dependent not so much upon the "level of elite conflict" but both level of elite conflict and timing of popular inclusion is very much dependent upon role in IPE?

[Robyn comments: I agree that Waldner does not fully account for the varying roles of the international community in shaping the development of his two sets of cases. Particularly in East Asia, his characterization of how relatively little elite conflict lessened dependence on popular support takes for granted the role of the international community, esp. US and Japan, in shaping the opportunities and strategies of the political elite.]

[EOW: While I do think this is probably an additional factor, I am not sure that the specific problem of robust developmental strategies that are not corroded by side-payments is closely linked to the geopolitical issue. After all, in Korea, it was not until after 1965 that the right configuration occurred, and in some other countries close to US geopolitical interests it never happened (Philippines, for example).]

His investigation of levels of elite conflict and incorporation of lower class in each state is through examining the transformation from mediated states (state elites rule through alliances with local notables) to unmediated states in which institutions replace local notables and state expands provisions of social goods. In this examination, is it his claim that each state in his study becomes autonomous from local notables, but in the case of Syria and Turkey, developing interest groups (forced coalitions due to high

levels of elite conflict) defines the new institutional networks and in Korea and Taiwan they are captured or defined by cohesive elites? If so, should we assume that in both cases the process of supplanting local notables is one of centralization of the state, and is this process of centralization or institutionalization inevitable?

[Robyn comments: Waldner writes that the transition from mediated to unmediated states involves the substitution of nobles for institutional network, directly linking the state to social groups and expanding state provisions—I think he is indeed describing a process of centralization. However, he does state that this process is “generic but contingent ... it represents neither an exorable process or master narrative culminating in a uniform state type, or an irreversible stage of political evolution” (23)]

[EOW: There are other outcomes besides the one's that occurred in these cases: there are predatory states; there are personalistic clientelism (rather than cross-class coalitional clientelism). There is “chaosocracy” in parts of Africa. States do not necessarily solve even the Gerschenkronian dilemma, after all. Centralization is needed for even this minimal “modernization” project.]

Finally, I am not sure of the purpose or intellectual historical development of the distinction between Gerschenkronian and Kaldorian collective dilemmas. He suggests that East Asian models have resolved both dilemmas and therefore created a path toward economic development, whereas Syrian and Turkish states have resolved the former at the expense of exasperating the second. The Gerschenkronian dilemma seems based upon transfer into a capitalist economy and the other seems based in operation of capitalist economy. His usage suggests that a civil society/workers/lower class opposes redirecting capital back into productive or financial capabilities, but isn't the opposition really based upon how much capital is reinvested? Or if this is opposition on behalf of rent seeking capitalists, isn't this a market/state created dilemma, but not naturally occurring? Just not clear on these concepts, how they are operationalized, and role they play in his story.

[Robyn comments: I believe Waldner would argue that this is a dilemma for rent-seeking capitalists, rather than for civil society/workers/lower class. He suggests this is a state/market dilemma that must be overcome. He seems to use these dilemmas to explain how different types of state intervention address the primary obstacles to national economic growth/expansion.] *[The G-dilemma is basically about extensive accumulation and the K-dilemma about intensive accumulation. The former kind of dilemma does mainly involve the massive shift of labor and production out of agriculture into industry, while the latter is about productivity enhancement. His claim, basically, is that cheap labor is a necessary condition for a successful solution to both of these in underdeveloped contexts, and to the extent that workers manage to get high wages (relative to productivity) either as sidepayments for elite strategies or because of their own organizational strength (a possibility that does not occur in his cases, but seems to have almost occurred in Korea a one point), then the two dilemmas cannot both be resolved.]*

[4] 924memo#9-Keedon Kwon [With Vidal's comments]

Waldner's assertion that high levels of elite conflict is the necessary and sufficient condition for a broad cross-class coalition and that the latter via side payments leads to the precocious Keynesian state seems to be plausible but not quite convincing. Why can a faction of elites not simply repress other elite factions and popular classes using the state monopoly of violence after winning the struggle? **[Matt Vidal comments: This question gets at what I think is a loose and sloppy use of the notion conflict (or elite, or both!). He uses the concept of conflict to denote the opposite of unity. Yet, your example suggests that perhaps unity versus conflict is not the right distinction: it may be possible to have highly antagonistic elite factions (i.e., lack of unity) and hence overt contention, yet a stable form of a (repressive) state, which I think we would label low conflict.]** *[EOW: I think that probably this option can happen, it just doesn't in the present contexts. I imagine that a predatory state might be a case of inter-elite conflict resolved through pure repression. And there is nothing in his argument that would preclude the possibility of a victory of single faction. The question is: if one faction defeats another absolutely through repression, could this create a context for a developmental state project? Doesn't such a project require eliciting the cooperation of capitalists? If the conflict is between landowner elites*

and the state, then smashing them may well pave the way for a developmental trajectory, but I think that if there is sharp conflict within the elite that involves capitalists, their repression would also undermine developmental possibilities (assuming, of course, that socialism is not possible) Of course, this option may not be possible if the victory is only partial and if the struggle leads only to continued competitions through democratic elections. Thus we cannot simply proceed from high levels of elite conflict to a broad cross-class coalition. [Matt Vidal comments: **Nor is it convincing the high levels of elite conflict are necessary for broad cross-class coalitions. It seems as if Swenson's interpretation of Sweden is a case elite unity leading broad cross-class coalitions.**] **[Good point: it might be interesting to compare the analysis here with Swenson's. Of course, Sweden had already solved the G-dilemma, so perhaps this isn't quite relevant.]** It seems always possible that elites engage in deadly conflicts to the exclusion of popular classes especially when the latter are politically weak and passive. [Matt Vidal comments: **Waldner argues that an elite faction will have to enlist the support of the popular classes to win inter-elite struggle. However, I think one can envision a couple of scenarios in which, as you argue, elite conflict can be resolved while excluding popular classes. First, there may be elite struggle as you argue that eventually is won by a single faction and, second, there may be some sort of inter-elite alliance (e.g., industrial capital and bureaucrats versus landed elite).**]

Meanwhile, the causal arrow from a broad cross-class coalition to side-payments is more or less guaranteed only when elite competitions are through democratic (at least quasi-democratic) institutions. Otherwise, there is no absolute necessity that this causality obtains. [Matt Vidal comments: **In this case, I think that he is correct that an effective coalition requires some form of side payment, regardless of the type of political institutions.**] Now, even if elite conflicts are not at high levels, the winner can be forced to give popular classes side-payments to win political competitions under electoral democracy. [Matt Vidal comments: **This brings up an interesting question: does the provision of side payments constitute coalition building? Or is it possible to forge a narrow coalition which does not rely on the support of minor partners (popular classes) but makes some side payments to keep quell extreme popular discontent? Perhaps the narrow coalition makes side payments as part of a class compromise.**] The Park regime is a case in point, though Waldner argues to the contrary. Waldner argues that Park did not begin to provide side-payments until the early 1970s when Korea achieved a sufficient level of development to contain their pernicious effects. I can hardly agree on this. Among other, Korea's economic development was still at a very low level until that time. *[EOW: I discussed this issue in my comments on Matt's interrogation – some clarification is needed on how support/incorporation is used by elite factions.]*

[5] Overdevest, Christine (Matt Dimick comments)

There are many methodological issues raised by and addressed (more or less convincingly) in the book about the limitations of comparative case studies for drawing sound conclusions of a causal nature. Perhaps we could discuss some meta-questions about what approaches work well or poorly in small N, big comparison study contexts.

For example, it is not at all clear to me that Waldner successfully addresses the critique that what he is studying is multi-causal and non-deterministic and thus that his method is weak/flawed. It is also not clear to me that – at a more concrete level, for illustration – that elite conflict is a necessary and sufficient condition for broad based class coalitions, as suggested, which is an argument for determinism, which he points out.... *[EOW: I don't think Waldner really means that elite conflict is necessary and sufficient for cross-class coalitions across all time and places regardless of any other conditions (even if he does not put any formal provisos in his statement) – i.e. I don't think the claim is that everywhere, under all other conditions, that when one sees elite conflict we would expect to find cross-class coalitions. I am sure that he would allow that one might find elite conflict without a successful cross-class coalition being formed. The implication would be that this would provoke a further elaboration of the theory – it would provoke a "reconstruction" in order to deal with the anomaly.]*

To my mind, he seems to provide the "best" response to the methodological critique raised by his method when he suggests that the best metric for what a good for small N, big comparison is (in the absence of a viable assumption of determinism non-multicausality, which are completely unrealistic) is pragmatic and

relativistic. That is, a good explanation in this type of study is based on how well it holds up logically and empirically relative to other attempts to answer the question. The achilles heel here is that there often are not close enough comparisons to make a real cumulative record of comparison... As such his arguments that "other researchers have ruled out other variables..." is also unrealistic.

I am curious about what he was referring to as the "causal process tracing" method of case comparative work if anyone could expand on this ... Or if we could discuss the relative merits as a methodology without getting too far off course content. ..

[Matt Dimick comments: I raised a similar methodological point in my memo. I, for one, wouldn't mind a meta-theory discussion in class. As far as Waldner's methodology goes, I was also uncomfortable with it. For one, I'm not sure what he had to gain by arguing that elite conflict was a necessary and sufficient condition for explaining the different developmental states. I'm not sure why we couldn't accept the possibility that several different and separate variables could be the cause of underdevelopment. It seems like he wants to build some kind of general theory of developmental states. The subject of development, however, seems so complex that I'm not sure one can provide a general theory of development. I could agree that there are some necessary conditions for development, but it seems the more concrete you get in your explanations, the more varied and multiple your other causes will be. Anyway, I agree with your point.]

**[6] # 9 - TERESA MELGAR Waldner: State Building and Late Development
[Sun Jing comments]**

I generally concur with Waldner that levels of elite conflict do create different incentive structures for elites as they go about the process of state-building. Thus, understanding how specific states developed, the institutional configurations they took, and the economic strategies they pursued, may, in part, be advanced by looking at the nature of these conflicts and the imperatives they created for the main, primarily elite protagonists.

A) I think Waldner's discussion on the specific dynamics of elite conflict in Turkey and Syria provides us with a good basis for understanding why some sections of the contending elites in these countries opted to build cross-class coalitions and undertake popular incorporation measures, as a way of shoring up their own camps, and neutralizing the threats coming from other sections of the elite. This, in the process, created the kind of institutional configurations embodied in what he calls "precocious Keynesianism."

But does this provide us with enough basis to agree with Waldner's proposition that "when conflict is intense, elites build large, cross-class coalitions through high levels of side payments provided to both powerful and to relatively weak constituencies." (p. 47)? Unless I am misreading Waldner's proposition or his work, I am inclined to believe that high levels of elite conflict does not **always**, or necessarily produce instances whereby some sections of the elite are prodded to resort to these types of "coalition-building" strategies. Here, I am reminded of a number of Third World countries or states negotiating the transition from "mediated" to "unmediated" rule, wherein sections of the elite engage in outright power grabs, specially at the national level, as a way of resolving their conflicts, rather than build a countervailing force that includes the popular classes. Of course, in many of these countries, elites or elite-led regimes that come to power by overthrowing an existing government, eventually attempt to legitimize their rule by engaging in policies that will appeal to the popular and middle classes. But then, the specific institutional configurations of these regimes would probably not correspond to those that Waldner identified with precocious Keynesianism (i.e. constitutional clientelism, distributive fiscal policies). They would more likely approximate the institutional characteristics of an authoritarian regime.

In this context, I guess it would be useful if Waldner had also looked into the conditions under which high levels of elite conflict might prompt these kinds of elite contestation strategies as well. I see that he took care to examine the conditions in which high levels of elite conflict induced some sections of the elite to engage in cross class coalition building projects, as well as their institutional outcomes and consequences

for economic strategies. But could the same independent variable (high level of elite conflict) trigger other types of elite response, and under what conditions would this likely take place? What in turn, would be their institutional consequences, as well? *[EOW: This is an excellent issue to discuss. Are there other conditions which need to be present before elite conflict has the effects he postulates? He says that in a transition from mediated to unmediated state rule, intense elite conflict is a necessary & sufficient condition for building cross-class coalitions. I would suspect that there are indeed other possible outcomes, but he does not entertain this explicitly. It might be good to get a more comprehensive map of the possible outcomes as a way of thinking this through. How would the Philippines look in this perspective?]*

B) Waldner provides a good discussion of the differences between a “mediated” to “unmediated” rule. I agree with him that elite conflicts does play a significant role in shaping these transitions. But unlike Waldner, I am not inclined to “incorporate” the other variables that he spoke of as potentially being critical to the particular shape which these transitions take, (e.g. class conflict, position in the global economy, security threats, colonial legacies, as stated in p. 20), mainly into the “analysis of levels of elite conflict.” (p. 20). I may not have an empirical basis for these arguments in the case of the countries he examined, but in other developing countries, the specific imperatives of colonial rule (e.g. whether colonial rulers were mainly interested in extracting resources from a colony, in which case, they would likely depend on local elites to do that for them and not seek to build state institutions; or whether they were interested in developing a colony or neo-colony as, say, as a market for their own industrial goods, in which case they would probably want to build some local and national institutions to create such a market within the colony/neo-colony), in particular, and the nature of the anti-colonial or independence movements (often also elite led, but in some instances, as in the case of the Philippines, blending a mix of *ilustrado* (elite) assertions within colonial structures and popular rebellions from below) they triggered, may have played an equally significant role in shaping the transition from mediated to unmediated states.

In addition, although I realize Waldner does not make this claim, it is also worth noting that the transition from mediated to unmediated states may not be as clear cut. I am inclined to think that it is possible for states to exhibit some qualities of a mediated and unmediated state at the same time. That is, the national centers of states from which most policy-making emanate may exhibit the qualities of an unmediated state, but the more geographically-outlying areas, where local, and at times, authoritarian elites continue to hold sway, and where state presence can hardly be felt, may show qualities of a mediated state. Indeed, in some developing countries, one can find authoritarian enclaves existing side by side with the institutions characteristic of modern states. *[EOW: First, a small point triggered by the last sentence here: “authoritarian enclaves” are not the same as “mediated states” – i.e. you are speaking here of hybrids, of situations in which qualities of both mediated and unmediated states exist. An unmediated state can be extremely authoritarian. The only issue is the extent to which the center rules via local notables rather than directly. That being said, your more general point here I think is right on target: there may be a wide range of conditions which shape the transition from mediated to unmediated rule which also affect the extent to which cross-class coalitions of the sort being discussed are likely to occur.]*

2. Although this is beyond the scope of Waldner’s book, it would be interesting to examine the specific impact of the economic strategies pursued by the East Asian development states, along dimensions broader than those provided by the author (i.e. enhanced capacity to create value; forward-backward linkages, etc.). A broader dimension that incorporates questions of sustainability, environmental protection, enhancement of human rights, etc. (as a number of authors have already done vis -a-vis these states) would probably help us assess better the desirability of these strategies.

[Sun Jing comments: I think you made a very good point by questioning whether high levels of elite conflicts would always lead to cross-class coalition-building. Coalition-building is not a given simply with the presence of high levels of elite conflicts. The question of under what conditions high levels of elite conflicts will lead to cross-class coalition-building is still largely unexplored. I further doubt even if it is useful to view South Korea, Taiwan, or Japan as countries with low levels of elite conflicts. To me, the elite homogeneity thesis is misleading and simplistic. The elites are by no means monolithic.]

I also agree with your second point: in fact, state-making and state-collapsing can happen at the same time at different levels, just like in Central Asian countries, especially Uzbekistan, where the central government manifests features of an unmediated state while at the local level, the local communities of *mahallas* exhibit features of a mediated state. Variance within the state is an interesting issue that requires more contextualized explanations.]

[7] César A. Rodríguez Memo # 9 – Waldner

1. A key assumption of Waldner's model is that the preferences of state elites in late development countries are fixed, i.e., that such elites wish to ensure both political incumbency "and longer-term economic development" (p. 4). Based on this assumption, Waldner goes on to explain the different developmental outcomes in Turkey and Syria, on the one hand, and Taiwan and Korea, on the other, in terms of the institutions resulting from different levels of inter-elite conflict.

Although assuming the invariability of state elites' preferences across countries has the merit of avoiding ad-hoc explanations of developmental outcomes that put the blame of underdevelopment on cultural inclinations –e.g., the "culture of underdevelopment"— or individual or group traits –e.g., proneness of elites to corruption—, it is not clear why the assumption that elites have a fixed preference for long for economic development would be a plausible one. While we can assume –as Waldner does—that it is in the state elites' interest to remain in power, it is less clear that promoting economic development – which, as the author argues, is a long-term goal—would be necessarily in the interest of such elites. Just as we discussed it in the case of Margaret Levi's argument on the interest of rulers in maximizing state revenue, it can be claimed that the primordial interest of state elites is to remain in office, and that other goals (be they revenue extraction or long-term economic development) will be contingent on such a goal.

In sum, is state elites' preference for long-term economic an adequate assumption from a descriptive and analytical viewpoint? Would the preference for the attainment of short-term economic stabilization, rather than long-term development, be a more plausible assumption?

[Matt Nichter comment: I think Waldner simply believes the state actors in question did, in fact, have similar preferences; he says (p.3) that "the basic preferences of Syrian and Turkish political elites for security, political incumbency, and rapid economic development did not significantly differ from their Korean and Taiwanese counterparts...varied contexts induced actors with the same basic preferences to generate different institutional outcomes." So he doesn't seem to commit himself to a general 'theory of state interests' a la Levi. Presumably he would accept that under some structural circumstances neither 'Precocious Keynesianism' nor 'Developmentalism' are optimal state strategies – states might, for instance, pursue 'predatory' policies (in the strong colloquial sense of the word) - though I suspect you're right that he is methodologically averse to 'culturalist' explanations of underdevelopment.] *[I concur with Matt's comments here. I don't think that Waldner's arguments really hinge on positing any universal fixed preferences for state elites beyond very thin kinds of power interests.]*

2) Waldner provides a very precise definition of the necessary and sufficient condition for "precocious Keynesianism" to emerge, i.e., the "simultaneity of state transformation, cross-class coalition construction, and the onset of industrial development" (p. 51). Given also that he explicitly distinguishes this concept from "economic populism" as widely used in the literature on Latin America, how useful is this concept for comparative research? In other words, how likely is it that the three above-mentioned processes arise simultaneously, so that Waldner's analysis can be extended, as he proposes at the end of the book, to other countries? Is there any historical reason why we should expect to find these three phenomena emerging in clusters, or is their convergence in the Syrian and Turkish cases rather unique?

[Matt Nichter comment: This may be presumptuous, but I interpreted Waldner to be saying that the presence of a unified elite is highly unusual, making the 'developmental state' the exception to the 'precocious Keynesian' rule...

I found the passage on 'populism' confusing. He says (p.50) "economic populism typically refers to anti-oligarchical political movements that incorporate labor into an alliance with urban middle and nascent industrial classes...Precocious Keynesianism, on the other hand, specifically refers only to regimes anchored in cross-class coalitions embracing both urban and rural lower classes as well as

agrarian elites, as in the case of Turkey.” But the Syrian case did not involve a cross-class coalition involving the agrarian elite, and in the Turkish case large landowners benefited indirectly from largesse directed primarily at the small peasantry. So in both cases, especially the Syrian, it’s misleading to describe the ‘Precocious Keynesian’ alliance as one involving agrarian elites. So I’m not quite sure how Waldner’s caveat limits the applicability of the model.

Note his further hedge at the end of the book: he admits (p.239-40) that his argument may no longer be applicable as a result of ‘globalization’. This makes me wonder: if additional world-economic background conditions must obtain for the model to be relevant, what exactly are they? Were they present in varying degrees during the mid-20th century heyday of the model’s applicability, and if so doesn’t this complicate things considerably? (BTW are there any ‘mediated’ states left against which the model might be tested? I found this concept a bit hazy).

[EOW: Both Cesar’s initial comments & Matt’s observations are very interesting. One thing we might want to discuss is whether or not in fact one needs all three of these conditions for the logic of the argument to hold. That is, the pivotal substantive argument is that when intensive development is needed – i.e. Kaldorian development – then side-payments to members of a cross-class coalition is damaging to development. So the question becomes: under what conditions do you get a coincidence of a) Kaldorian dilemmas and b) cross-class coalitions with sidepayments. The state formation transition from mediated to unmediated seems to provide the context in which cross-class coalitions, as solutions to elite conflicts, are likely to involve this kind of rent-seeking. But perhaps there are other conditions we can imagine.]

[8] Memo#9 Landy

1. Waldner argues that intense elite conflicts generate incentives to early popular political incorporation through the formation of a cross-class coalition. The formation of this cross-class coalition undermines developmental state capacities by increasing side-payments to class constituencies.
 - a) Waldner states that the fact that state building and lower class political participation happened at the same time impacts the specific characteristics of state institutions; specifically, he claims that it produces constituency clientelism, politicized bureaucracy, distributive fiscal policies, and political loyalty motivation for state intervention (p. 37). What it is not clear to me is why and how these particular institutions are those which better serve the objective of reducing elite conflicts. For example, will not selective fiscal policies increase disputes among political elites to secure the state apparatus which grants them? Or how does politicized bureaucracy increase the elite capacity for coherent action? In fact, his account of Turkey and Syria cases seems to show that elites conflicts did not diminish, as several coups d’état show it. To what extent is he actually making a more traditional argument that is the “instability” of political institutions what explain weak developmental state capacities? *[EOW: Very nice point. He doesn’t really argue that the construction by conflicting elites of a cross-coalition actually resolves the conflicts; the cross-coalition is just part of the strategy of the contending actors in this conflict, and it may well lead to periodic reversals, upsets, coups, etc. You are right, however, that he does not really explain very clearly how elites use this support in their struggles. On the politicized bureaucracy argument: this, I think, is simply the effect of the intensity of the conflict, which characteristically involves state elites and class elites. When they win particular victories in this on-going battle the higher reaches of the state become political spoils, manipulated by the winning coalition, and this is the sense in which it loses autonomy. Or, perhaps, the issue is that the state bureaucratic elite is one of the parties in the conflict, and thus – since it is engaged in struggle – it is inherently politicized.]*
 - b) In Waldner’s account, the level of side-payments is determined by the level of elite conflict; but I wonder about the inter-temporal effects of cross-class coalitions, that is, it is possible that coalitions provide political stability, reduce the risk of investment, and defer the payments along time. By doing that, probably, they can solve Kaldorian dilemmas. Of course, that possibility depends on how long the coalition seems to be viable. *[EOW: An interesting idea – if the coalition generates enough stability, then perhaps the risk-reduction effects outweigh the cost-increasing effects of the side-payments. In the examples*

he studies there is always quite a bit of instability in these coalitions. Also: I think the key issue for resolving the Kaldorian dilemma is not just risk-reduction, but creating an incentive structure in which productivity-enhancement occurs systematically. This has lots of components to it. The importance of the low side-payments here is that it increases the capacity of the state to do other things which enhance productivity since it is not in such a fiscal drain, and it creates point-of-production incentives for productivity improvements since workers do not have access to rents otherwise.]

2. A question about Waldner's notion of state autonomy. In the organizational approach, that he seems to share, the State is not an instrument of the dominant class, and then state power doesn't derive from class power. In his account of Turkey and Syria this position appears clearly, even some times political elites seem to be "hyper-autonomous": they are able to incorporate and subordinate social classes, define their pay-off, and exclude other social groups. However, in Taiwan and Korea political elites seem to respond to accumulation imperatives, they guarantee accumulation and innovation as a way to keep their own political power. Does he identify autonomy with state capacity to define economic policies and implement them, but always in the capitalist framework? **[EOW: I think your last statement is correct: state autonomy here never implies being able to go against capitalism per se. The issue is just the ability to avoid being captive of the necessity for unproductive uses of state resources as the conditions for staying in power. In a sense, where there is strong elite conflict, then the state elite is forced to construct a cross-class coalition in which, in a sense, it is tied down – a kind of captive of the coalition it needs to stay in power.]**

3. I also have a methodological question. He claims that broad cross-class coalition is a sufficient condition to explain precocious Keynesian State, but that a narrow coalition is just a necessary condition to explain developmental states; however, in both cases his dependent variable is the same: development. I got confused by his last chapter, and it still not clear to me to what extent is his method a valid and reliable research strategy. If there are other elements that intervene on explain institutional outcomes, how do we know that coalition is not a spurious variable in explaining development?

[Comments by Amy]

1. On the issue of institutional forms reducing state conflicts – I agree there is a question that begs answering here. My understanding is that these four institutions are indeed the product of elite conflicts, but I don't think he was arguing that they represent resolutions to those conflicts. Rather they represent easily destabilized equilibria. But then we have to ask what are the opposing elites doing while one set of elites has managed to secure a mass base?

2. On the issue of state autonomy – my only suggestion is that according to Waldner's account, agrarian elites did not have significant power Korea and Taiwan at the time of elite conflict, whereas they did in the Syrian and Turkish stories. Thus the nascent Syrian and Turkish state elites were dealing with a different configuration of capitalists with historically opposing interests that may have allowed state elites more autonomy to build coalitions.

[9] Matt Dimick (Christine Overdeest comments)

Sociology 924

Theories of the State

Weekly Interrogation 9

Here are a few quick questions:

(1) Waldner's argument is that developmental states with high levels of elite conflict caused contending elites to build cross-class coalitions. These coalitions were cemented through side-payments, but the side-payments then deprived the state of its capacity to build a positive rent-seeking framework that solved Kaldorian collective action problems. Waldner says that the classes of peasants and workers that became allies to elites "lacked the capacity" to make binding claims on the state (p. 33). But it seems improbable that they lacked any capacity, otherwise it is hard to believe why anyone would seek them out as allies. As allies, even if in a subordinate position, they must have the capacity to do something, something to shift the

balance of power in favor of one of the contending coalitions. My point here is that by granting some agency to lower classes, we probably shouldn't make an argument like Waldner's rest entirely on elite conflict being a "necessary and sufficient condition" for explaining particular kinds of developmental states. *[EOW: perhaps the point is that they have no autonomous agency – they are pawns in the hands of various manipulative forces. This could make sense: the peasants could be mobilizable by one elite faction or another – and thus all factions must seek to include them in a cross-class coalition to avoid the threat of the countermobilization – and still not have any capacity for action qua peasants. They would be like foot soldiers being manipulated by different factions of the officer corps.]*

(2) Waldner justifies his methodology by saying that all of the differences between Syria and Turkey help his comparative case since, because they have similar outcomes, we can eliminate those variables in explaining those outcomes. Thus, the argument appears to be that because Turkey had A, B, and C, while Syria had C, D, and E, we choose C as the variable that explains the outcome F. But it's not obvious to me that we couldn't say that A caused F in Turkey while D caused F in Syria. I think Waldner tries to come to grips with this in the final chapter, but since I'm not up on methodology, some clarification would be nice. One argument that he puts forth is that his method still gives us a basis for refuting rival theories. But since his is not the only method that can do so, I still don't see what merit his method has over others.

[EOW: The way he tries to establish that "C" is the pivotal variable here is by saying two things: 1) it is the one variable that these two cases have in common, and 2) there is a coherent, fine-grained causal story, grounded in deductive reasoning from an underlying model, that explains how it is that C has the effect F. The elaboration of the causal mechanism, and then the empirical investigation of the cases to see how this causal mechanism operates on the ground, is crucial here.]

[Christine Overdeest comments: yes, and i think its also possible that "c"'s efficacy as a causal force could very well be dependent on the value of an unmeasured variable that is present in syria and not in turkey, so that its not at all "sufficient"... and Waldner can't address this issue with his method (unless he knows apriori what the true explanatory model is, which would of course render the exercise in research meaningless). at any rate, at the same time, it probably bears pointing out that when you are dealing with phenomena that not large-N, alternative methods seem limited, unless you refrain your level of explanation to lower level, higher N... at least, it seems to me...]

[10] From: Pablo

To: Everyone in Soc. 924.

1. The notion of political incorporation is key in Waldner's argument. Indeed, in his account the timing of political incorporation (before or after state institutions have developed and the process of industrialization has been launched) alone explains why Turkey and Syria did not achieve high degrees of development. Political incorporation occurs necessarily as a consequence of strong conflict among competitive elites – one of the parties in conflict will always resort to the formation of a broad cross-class coalition with subordinate classes when it risks losing its dominant position. According to the argument, the incorporating elite establishes a quid pro quo relationship with the subordinate classes. If this does not happen *after* the transition from mediated rule to direct rule is completed, the country is condemned to development failure. Thus, high levels of elite conflict are a necessary and sufficient condition for political incorporation, and a sufficient condition for development failure.

Even taking into account Waldner's caveat (at the very end of the book) that "the validity of deterministic arguments ... are a function of specific initial conditions" (p238), I find his claim unpersuasive.

Let's focus first on the first link of his causal chain, the one that goes from elite conflict to cross-class alliance and political incorporation. Is a high level of elite conflict really a necessary condition for political incorporation? We can imagine many scenarios in which there is political incorporation even when elites are not divided. Moreover, Swanson's description of 1940 Sweden suggest that elites were not divided, but nevertheless (according to Waldner's definition of political incorporation, see page 25 fn 27) the working class was "politically incorporated", at least as much as subordinated classes were incorporated in Turkey

and Syria. Is elite conflict a sufficient condition for political incorporation? Again, this seems dubious. There was a high degree of elite conflict in Argentina in the 1860s, but political incorporation of the subaltern classes did not happen until 1918-1945. *[EOW: Waldner does not say that elite conflict as such is the necessary & sufficient condition for incorporation of subordinate classes, but rather elite conflict under two additional conditions: (a) the transition from mediated to unmediated state rule, and (b) prior to the consolidation of a Kaldorian development path (i.e. before intensive accumulation has occurred). Sweden in the 1930s/40s was not an instance of a transition to unmediated rule, and it was already well launched on the path of intensive accumulation; Argentina in the 1860s, I imagine, was still characterized by mediated state rule.]*

Second, and more importantly, let's look at the link that goes from political incorporation to a non-developmental or precocious Keynesian state. Here Waldner argues that the relevant mechanism is that *political incorporation makes it impossible that the state disciplines capitalists*. This is the kernel of his argument:

“Once the state has made side-payments to third actors [=political incorporation of subaltern classes] that raise the costs of production for industrialists, the latter must be compensated; they too must receive side-payments. (...) [this is necessary] simply to resolve Gerschenkronian collective dilemmas . . . [But if the state does this] it exhausts the resources it might use to elicit cooperation on behalf of resolving Kaldorian collective dilemmas. Once compensatory payments consists of subsidies and protection simply on behalf of inducing investment in new plants, the state has given to capitalists all that they want. Consequently, the state no longer has leverage with which to discipline capitalist to raise productivity and enhance international competitiveness. Firms in protected markets that receive state support on behalf of encouraging investment in new plant face no incentive to undertake costly and risky efforts to improve productivity and boost export performance; their profits are guaranteed without these measures. Furthermore ... as long as side-payments that raise factor costs are made to popular classes, states can neither reduce protection nor compel industrialists to export; high factor costs will continue to preclude competitiveness” (p202).

I think this is the most important argument of the whole book. I also think it is flawed. Some of my reasons are the following:

a. The state can make the subsidies it gives to industrialists contingent on productivity increases, technological upgrading, etc. It is not true that it exhausts its resources to solve G-collective dilemmas, and then cannot solve K-collective dilemmas. Indeed, the state can solve both at the same time. Korea and Taiwan simultaneously protected some industries (which did not receive subsidies, or received less subsidies) and encouraged others to export by providing subsidies *whose extension over time was conditional on certain outcomes*. There is no reason at all why a state pressured by the commitments of political incorporation cannot do the same. It has to make side-payments to industrialists, but there is no reason why it cannot make them conditional on outcomes. *[EOW: the problem here is that it has made these side-payments to subordinate classes without conditions – that is the presumption of the claim that the loyalty of the subordinate classes is bought through side-payments. So, the question here is whether it is plausible that the state could impose this sort of discipline on the capitalist class given its behavior towards subordinate classes. Furthermore, the state elite is a party to the “elite conflict” – above all these conflicts involve the state elite contending with various other elite categories – and the fact that it is engaged in this sort of intense struggle also means that it is less likely to have the neutral capacity to apply these sanctions, to withhold subsidies, etc. since it is continually needing to reproduce its coalition partners. Otherwise they will defect and support a rival elite contending for power. I think the conflict-intensity makes it tough to exercise subsidies in a cool technocratic manner.]*

b. High labor costs constitute an incentive for capitalists to invest in labor-saving technology – as happened in Sweden in the 50s and 60s, if labor costs are high the solution for capitalists is to increase labor productivity. Ergo, capitalists do have an incentive to increase productivity, specially if the state threatens to cut subsidies if they don't. *[EOW: but how does the state – under these conditions of intense conflict – maintain this threat credibly. Even in Korea with such favorable conditions it was hard to credibly impose these threats, and I imagine if elites were highly conflicted – and thus in conflict with state elites*

– *it would have bene much tougher*] Regarding the protected industries, the state can adjust the level of protection up and down, and that can also work as a nice “incentive” to behave. Waldner seems to ignore here that, at the level of the firm, infinite equilibria are possible – for each wage rate in a broad range, there is a level of labor productivity that makes the firm competitive, and that is feasible given existing technologies and ways of organizing work.

c. Many of the policies implemented by Korea and Taiwan (direct support to production through the funding of technology transfer, training and education; the intervention of markets to assure that economies of scale are achieved; etc.) could have also been pursued by states dealing with the consequences of political incorporation.

2. The notion of constituency clientelism.

I find this notion puzzling. Waldner says that CC has three elements that distinguish it from other variants of patron-client relations (p39): a. “the patron is the state, not individual elites”; b. “entire social classes and not individual members of subaltern classes, are clients;” c. there is no personal interchange of private goods for loyalty to individual elites, but “ class-specific public goods such as subsidies, support prices, and protected markets are impersonally exchanged for loyalty to the state and acceptance of strict controls on political participation.” Is this really a form of *clientelism*? Let’s say that we have the following sequence: one party includes in its platform the protection of national industry through tariffs (or national health insurance, or poor-relief programs, or free public education, or whatever); people vote that party because they want that policy; the party wins the election; people stay home, without pushing for additional forms of political participation. Do we want to describe this as clientelism? Under this definition, wouldn’t representative democracy always be clientelist? *[EOW: You have a good point here about the use of the term, since its formal attributes could apply to ordinary social wage legislation, for example (and not just tariffs and the like). I suppose the issue is that the initiative for this comes from the elites in order to cement loyalty, rather than the policy emerging out of deliberation and debate in response to popular initiative. Arguably that could justify calling these cases “clientelism” of a special variety.]*

[11] Weekly Interrogation -- #9 Sun Jing

David Waldner argues that Korea and Taiwan represent relative elite homogeneity, which contributed to lower intensity of elite conflict. Subsequently, built on lower levels of elite conflict, state bureaucracy could orchestrate the process of long-term oriented developmental strategies.

The thesis of elite homogeneity is not convincing to me. However, it is also a thesis that used to be entertained by many political scientists: not only were elites in the East Asian developmental states characterized as “homogeneous,” sometimes even the whole nation, such as Japan and Korea, were labeled as “homogeneous.” *[EOW: The claim here, really, is just that relative to many other situations/cases, these elites are homogeneous, not that they have no internal conflicts or heterogeneity. Indeed, Waldner does say that the Korean elite had significant internal divisions, only that they were less intense than in Turkey & Syria.]*

Such mythical East Asian uniqueness of elite homogeneity and solidarity are not intellectually interesting to people elsewhere who are in search of a developmental strategy. Even more importantly, it is not historically accurate. Take Taiwan for example: Waldner only mentions cursorily in a foot note that the KMT “executed numerous, less prominent members of a potential counter-elite composed of urban intellectuals and some rural notables,” then he jumps to the conclusion that the KMT only faced “weak opposition to its state-building project and its effort to exclude members of the indigenous Taiwanese elite from political participation” (p. 128).

To me, this is far from being empirically accurate. First, not only were “less prominent members” were killed and jailed during the Feb. 28 Rebellion, so were leaders of the movement, most of whom were

indigenous Taiwanese elites. In fact, many of today's leaders in Taiwan, such as the current president and vice president, were leaders of anti-KMT movement and were jailed by the KMT in their early political careers. *[EOW: still, it is the case that for several critical decades these opposition elites were effectively repressed in ways that meant that elite conflict was quite muted, again relative to many other places.]*

For South Korea, Waldner argues that Park Chung Hee only "threatened" to prosecute the vertical holding companies (*chaebol*) and appropriate their property" but later reversed his policy to seek collaboration with the *chaebol*. However, what happened in South Korea was that after Park seized power in 1961, he immediately arrested prominent *chaebol* leaders and other company heads and ordered them to return all profits gained through unfair and illicit activities since the signing of the Korea War truce in 1953. Within the week, nine of Korea's most prominent businessmen "voluntarily" offered to donate their entire fortunes to the government. To me, collaborating with the government under the threat of execution, jail, fines, and confiscation of property was symbols of anything but elite cohesion.

Finally, think about Japan: in 1961, the whole society of Japan was polarized into two camps: those who favored closer ties with the US, and those who wanted to keep Japan away from the US control. Prime Minister Kishi Nobusuke, a former war criminal, was attempting to turn Japan into a militaristic state. As a result, the opposition parties were backed not only by left-leaning trade unions and student organizations but by moderate citizen groups, organizations of housewives, and most of the mass media. The prime issue, then, was not the revision of the treaty but protection of democracy against fascism and militarism (Otake Hideo, *Adenauer and Shigeru Yoshida*, p. 147). This led to series of very violent demonstrations and the deaths of protestors, and the members of the opposition parties formed human chains to block members of the governing party from entering the Diet to pass the bill. The 1960s was also a period that witnessed series of assassinations of prominent left-wing Japanese politicians, some broadcast live. Was all this manifestation of elite cohesion and Japanese homogeneity? *[EOW: These are very interesting illustrations of a problem, but it is not completely clear to me that these really contradict the central thrust of Waldner's characterization of the situation. His concern is especially with structural cleavages within the elite – cleavages based on things like sectors, class fractions, location in the state, landed vs urban, etc. I think purely ideological cleavages are less central to the argument. But even here I think the issue is a comparative one – in the pivotal period in which the transition to the intensive phase of productivity-deepening development could begin, were the elites relatively unified or engaged in intense conflicts of the sort that called their material interests into question.]*

Comments (by Teresa Melgar):

These are all extremely interesting counterpoints to Waldner's thesis of elite homogeneity, and I myself wish that he had discussed both popular and elite-led challenges to these state-building projects with a little more detail. Most elite-led projects of state building, after all, rarely proceeded unhampered. Nonetheless, I think it is also important not to overstate Waldner's use of the term elite homogeneity and think of it as implying the absence of any conflict or cleavages among the elite, or the absence of any opposition from popular classes. In those pages that you cited (and the pages before and after that), Waldner does emphasize that there were many conflicts and cleavages within the political elite (e.g., the KMT in Taiwan) and between the political elite and the socio-economic elite. But what, to him, was key in thinking of these as "high levels" of conflict, was whether they were conflicts "over fundamental political-economic projects" that threatened, not only the immediate material interests of one section of the elite, vis-a-vis the other, but the very source of this section's power and status. In this case, they would likely produce the kind of intense and polarizing conflicts that could no longer be accommodated within the parameters of existing institutional arrangements or be resolved by pragmatic political calculations. But as I understand Waldner, in many instances, these conflicts never reached such a point. In Korea, for instance, although Park initially cracked down on the *chaebol*, he eventually, according to Waldner, reversed himself. In my view, this reversal of policy must have been pivotal in putting a brake to a potentially explosive source of a "high level" of elite conflict. Park's politico-economic project -- authoritarian-led industrialization -- no longer threatened the very existence of the *chaebols*. Indeed, according to Waldner, he saw it necessary to collaborate with these *chaebols* to realize this project. What Park instead embarked on was to change the parameters of the relations between the *chaebols* and the

state. Instead of maintaining the pre-existing and largely rent-seeking relationship, state policies brought out a mix of incentives and not-so-subtle threats, that accordingly, made possible the transformation of these chaebols from "rent-seekers into world-class manufacturers."

[12] Matt Nichter

I found the model interesting, though and I'm not fully convinced that it explains the divergent outcomes in the cases under study and I wonder about its generalizability.

Waldner basically ignores the international economic context in which his late developers were operating, but arguably there were qualitative differences that help explain the divergent outcomes. (This objection is especially salient since Waldner himself wonders whether recent changes in the international economy may limit the applicability of his argument – in effect he admits that there is more to the story than his two variables and mechanisms.) Is it irrelevant that South Korea and Taiwan were major beneficiaries of U.S. military protection and economic assistance during their crucial transition periods? (Waldner notes that Syria received Russian aid and Turkey U.S. aid, but this is a shallow counterargument. He would readily admit that U.S.-backed land reform explains the remarkable unity of the South Korean elite, but the thrust of my objection is that the U.S. economic influence went much deeper.) What about the close interrelationship between the Japanese economy and the Tiger economies – was this simply a *result* of a successful local development in the latter? *[EOW: this is one of the issues that Chibber will raise next week: the critical role of Japanese capital in setting in motion the Korean trajectory in the 1960s]*

Is it really true that in *all* the 'early' developers (Europe, the U.S. etc.) the state was modernized before industrialization and before peasants and workers became players in national politics? *[If modernization is just the shift from mediated to direct rule, then probably this happened before industrialization in all European countries and the US. A separate issue is the extent to which workers were "incorporated" into politics before industrialization. The US is the one case where it is often pointed out that popular classes were fully incorporated – at least white males – before industrialization. This argument is often also used to explain the weakness of working class parties in the US, since workers did not have to organize politically in order to get the vote, and also for the relative delay in the transition away from patronage-based politics, especially at the local level.]* This isn't entirely clear to me because a) there are obviously degrees of industrialization (Turkey and South Korea were hardly pre-industrial before the 60s); b) I'm not quite sure what counts as a 'mediated' state; and c) it's not fully clear to me what counts as 'incorporation' of the lower classes either. *[EOW: I think the pivot of "incorporation" in this argument is being the recipient of side-payments. It isn't really "participation" in any ordinary political sense, but rather being the recipient of state subsidies in ways that cement loyalty to the regime.]*

[13] Amy Lang (comments by Landy Sanchez)

I found Waldner's book easily readable and straightforward. I have no real criticism of the logical structure of his argument; rather my questions arise from thinking about the implications his arguments about Turkey, Syria, Korea and Taiwan have for analyzing other cases.

First, I would like to clarify Waldner's characterization of the relationship coalition-formation, side-payments made to popular classes and side-payments made to capitalists. In two of his four cases, he argues that intense elite conflict necessitated cross-class coalition building, and thus side payments to popular classes for political support. In so doing, state actors made side payments to capitalist classes to offset their incurred higher costs derived from payments to popular classes. In the other two cases, elite cohesion mitigated the need for elites to seek cross-class support bases, thus precluding side payments to Korean and Taiwanese popular classes, and thereby facilitating state control over the kinds of incentives offered to capitalists. Although his depiction of the Turkish and Syrian cases typify situations in which high competition leads to high side-payments, it is not clear to me that this is a necessary relationship. That is, it is not clear from the historical account that the process of coalition formation was one where elites

competed for support from particular sectors by offering ever-increasing side-payments. Rather, it seems to me that Waldner's story depicts elites forming coalitions by targeting specific groups and omitting others from the coalition. In this case, we are justified in exploring the relationship between levels of side-payments to popular classes and levels of side-payments to capitalists. Is Waldner proposing a coalition model where any side-payments to popular classes will generate demand for payments to other coalition members that are large enough to impede economic development? Or is it a linear relationship where payments to capitalist classes increase as payments to popular classes increase? Or is it a threshold model where payments to popular classes have to reach a certain level before there is substantial demand from capitalists for compensation? *[EOW: You have honed in on the pivotal issue in Waldner's argument. I am not sure which of the possibilities you outline actually represent his coalition-model. Perhaps another way of framing this is the following: capitalists always prefer side-payments, subsidies, protection, relief from the intensity of competition, etc. They always like solution to the Gerschenkronian problem, since this just means creating opportunities for profitable investment and accumulation, but they do not like the demands and rigors of the solutions to the Kaldorian problem. So their first order preference is always for a politically stable configuration that enables them to get these rents without the demands of high risk taking through intensive accumulation. The political configuration that makes this possible is one in which a cross-class coalition is in place of the sort Waldner describes. But note, in this way of posing the process, the cross-class coalition is a solution to a problem facing capitalists rather than state elites: how to secure and reproduce a stable rent-seeking arrangement. How would elite conflict figure in this case? I think there are two issues here: 1) under conditions of intense conflict within the elite – which in every case discussed entails conflict involving state elites as well as class elites – it is much tougher for the state elite to have the techno-bureaucratic autonomy needed for the K-strategy, and 2) Elite conflict explains the need to include popular classes in the coalition, and this then stabilizes the rent-seeking, side-payment solution, making it harder for the state elite to switch to the K-strategy when the G-strategy exhausts itself. In the absence of elite conflict there is less pressure for that inclusion. This does not, however, insure that the state elite will pursue the developmental path because capitalists would still prefer the lazier protected unconditional subsidy solution. As Waldner argues, the absence of such conflict does not guarantee a successful K-strategy, it just makes it possible.]*

Clarifying these questions has important implications for the second issue I would like to raise. My question is as follows: is Waldner's model of the successful developmental state (elite consensus, relatively autonomous bureaucracy, low side-payments, all contributing to heightened economic performance) incompatible with democratic political inclusion? Waldner argues that democratic inclusion creates political imperatives to sacrifice long-term economic goals (via making side-payments) even when elite competition is not at peak intensity. Thus in the mid 1980s, Turkey's leader Ozal pulled back from certain economic reforms (the elimination of support for agricultural incomes) when it was apparent he needed to generate political support from rural voters (p. 215). But depending on the nature of the relationship between elite competition and side-payments it may be that some "middle-ground" is possible. I am ignorant of the literature on democracy and economic development; surely there must be cases of democratic inclusion AND economic development to counter Waldner's examples? *[EOW: The issue you raise here is certainly one of the more disturbing issues in Waldner's analysis – the apparent implication that repression of popular forces and the intensification of their deprivations is a good thing for development. That certainly seems to be what his analysis suggests. I would very much like to discuss the possibility of other possibilities, of a developmental welfarist state – where there is a high social wage which is still compatible with no unconditional side-payments to capitalists (i.e. the only rents are performance-conditional subsidies) and a robust productivity-enhancing dynamic. Waldner doesn't entertain this possibility, but I do not see why it is logically precluded, although, of course, it may be politically unstable for various reasons.]*

Landy's comments on Amy's memo

I agree with you that it is not clear whereas the connection between intensive elite competitions always resolves in high side-payments or how state capacity to impose cost differs; for example, by contrasting the Turkey and Syria cases it seems that the later government, as an authoritarian one, would have a greater capacity to impose higher costs either over the popular or capitalist class. My guess is that Waldner would insist that it is the institutional outcomes (constituency clientelism,

politicized bureaucracy, fiscal policies, and state intervention seeking political loyalties) what increases (and reinforces) the side-payments. I think he would agree with you that cross-class coalition formation implies inclusion/exclusion of social groups, but I think the determinant element of the necessity of side-payments comes from his argument that elites always confront the problem of how to secure capital investment and innovation (spill-over); thus, any payment to the popular sectors that threat these elements will impact the developmental capacity of the state.

About democracy and development, I guess he is arguing that democracy will come after pillars of capitalist development are set in place. He also seems to agree with the literature that claims that democracy will be attained after certain stage of economic development is accomplished. I don't know of any literature that actually "proves" that popular political incorporation and economic development will work together, but certainly there is a huge amount of literature that shows that economic growth without democracy and distribution doesn't produce development !!!!.

[14] Shamus Khan #9

- 1.) Waldner seems to suggest that the suppression of populist movements is a necessary condition for the development of third-world states. Is this really the case? *[EOW: one might want to distinguish here between the impact of specifically populist movements and the impact of progressive movements. This depends, of course, on specifically what one wants to subsume under each rubric, but populism does often suggest specific packages of benefits for popular classes that increase their welfare without any attention to the conditions for sustained accumulation, innovation, etc.]*
- 2.) I am not convinced that high levels of elite conflict lead to cross-class coalitions. They may, at times, lead to authoritative regimes (I am drawing on my limited knowledge of post-partition India and Pakistan here). We might find instances where high levels of conflict among state elites lead to oppression rather than coalitions. If this is correct, then what is it about Syria and Turkey that lead to coalition building across class, rather than a repressive regime? *[EOW: coalitions and authoritarianism are not mutually incompatible. Many authoritarian regimes are rooted in socioeconomic coalitions of one sort or another – most authoritarian regimes do have some “popular” base, often in the petty bourgeoisie, for example. So, the issue here, is whether intense conflict between elites increases the likelihood of the various elite factions seeking allies outside of the elite, thus generating the cross-class configuration described by Waldner.]*
- 3.) Might we imagine ways in which the first causal mechanism of broad cross class coalitions lead to a diffusion of high levels of conflict. Waldner's trends are ones over time. I would have imagined that the building of broad cross-class coalitions would moderate positions and make high-level conflict much less likely.
- 4.) Globalization. At the end of the book Waldner states that global production networks may undermine his argument; that is, the effects of globalization may eliminate the effects of his general model (see pp. 9). However, he underemphasizes geo-political effects in his overall analysis. Korea and Taiwan both “benefited” from a Japanese colonial past. I have suspicions that there may be geographic effects for Syria and Turkey that Waldner does not consider. As such, in the first case - “Syria and Turkey” - high levels of elite conflict may not be the necessary and sufficient conditions for the creation of broad cross-class coalitions. In the second case, “Korea and Taiwan” it may be that there are geo-political effects that help the resolution of G- and K-collective dilemmas (not just the existence of a developmental state). *[EOW: the geopolitical factors are undoubtedly important but it may still be the case that they have their positive effects on development only by virtue of the state engaging in developmentalist strategies, and this is contingent on not having internal political coalitions that require large sidepayments to the masses.]*