

1

Introduction: The Theoretical Setting

Daniel A. Omoweh

Background: The Limits of Neo-liberalism

The resurgence of scholarly discourses on the prospects of the democratic developmental state (DDS) in the global South since the 1990s marks a monumental failure of neo-liberal economic reforms mounted by the Bretton Woods Institutions in developing countries. In spite of the World Bank (WB) and International Monetary Fund's (IMF) contempt for the state as a poor manager of the economy, the performance of market forces has been woefully disastrous in the development experiences of the global South. The economies of Latin American, African and South Asian countries remain the most adjusted in the global economy and yet, they are trapped in protracted social, economic and political crises.

The resort of Latin American countries to the initiatives of the Bank and Fund such as the Washington Consensus (WC) not only further downsized the state, but its policies on fiscal discipline, public expenditure, privatization and deregulation, property rights, tax reform, exchange rate and infrastructural development produced economic and social exclusions, fragmented the labour unions and weakened civil societies.

In particular, the adoption of the WC initiative by Argentina precipitated bloody protests in the country in 2001 because the construction of a market society commoditized the entire society and its activities, which, in turn, caused social and political tensions and the rise of counter-movements to contain the crisis. The peasant land revolt in Peru in 2010 was a major fallout of the neo-liberal reform. The social and political reforms articulated by Hugo Chavez's government in Venezuela terminated the neo-liberal policies in the country. The left turn of the

critical mass of the public across the region and the upturn of the global ideological tide with emphasis on the bottom-up development approach are clear indications of a re-radicalizing Latin America. In all appearances, the Left is increasingly resurfacing in the politics, economy and social activities in the region ostensibly to overcome the limitations of the WC initiative and other neo-liberal policy reform.

Even though the majority of African countries had embraced liberal and neo-liberal development policies since they attained political independence in the 1960s, the continent's economy has moved from one crisis to another. From a fledging agrarian economy in the 1960s, Africa could have been ushered into early industrialization if the political leadership had been committed to its development (Kilby 1969). Having missed the initial opportunity to industrialize, coupled with the dwindling revenue from the export of agricultural commodities, African governments had to secure huge loans from the London and Paris Clubs, the Bank and Fund and other western countries to finance, essentially, the construction of physical infrastructure. The inability of most African governments to repay the loan plunged the continent into severe debt crisis in the late 1970s, and left the majority of the debtor countries to adopt one form of economic reform policies or the other of the Bank and Fund IMF at the onset of the 1980s. Worse still, the majority of adjusted African countries could hardly terminate the liberal reforms when they were confronted with the IMF's highly indebted and poor countries (HIPC) initiative and the WC framework.

African debtor countries' inability to service their external debts, coupled with the criticism levelled against the Fund for its harsh policy and attendant miseries and woes it inflicted on the people, led the IMF to undertake a U-turn and formulate the HIPC initiative. Rather than repay the principal and interest, or advance new loans, the HIPC initiative requested debtor countries to practise good governance, reduce public expenditure drastically, promote competitive exchange rate and privatize the economy, among others conditions, so that the gains accruing from implementing the initiative would be ploughed back to trigger off growth and development in the economy.

After several unsuccessful years of servicing its loan, Ghana had adopted the HIPC initiative in the early 1990s so that it could help strengthen the state to bail its heavily traumatized economy out of the doldrums. Yet the country's economy remained in severe crisis.

In Nigeria, even after the IMF-styled structural adjustment programme (SAP) was officially terminated in 1994 by the junta regime headed by General Sani Abacha, subsequent governments' reform policies have largely been neo-liberal and, indeed, an extension of the SAP. It is not surprising that, Nigeria's economy is still on the brink of collapse and characterized by huge infrastructural decay, gross corruption, inept political leadership, institutional decay, insecurity, bad governance, docile civil society and weak political parties.

Worse still, shortly after the Olusegun Obasanjo's government liquidated the country's external debts owed the London and Paris clubs in 2006 so that the relief could help the Nigerian state to deliver good governance and sustained economic growth and development, the economy is back into the debt peonage with US\$4.5 billion external debt as at December 2010.

Across the Asian newly industrializing countries (NICs) of South Korea, Malaysia, Indonesia and Taiwan, the market failures since the 1990s, in spite of the relative industrial growth they recorded in the 1970s and 1980s, have equally exacted unprecedented social, economic and political consequences on the region. The economic crisis that rocked the Asian NICs cannot be divorced from the authoritarian state and its obsession with growth. Departing significantly from liberal and neo-liberal tradition, the states of the NICs had approached development with dictatorial policies, with emphasis on growth. The thinking of the political leadership was that, democracy slowed down growth and development; and that the state should develop first, before thinking about democracy. But that is the major antithesis facing the political leadership in South Korea, Malaysia, Indonesia and even Singapore, where the contradictions of an autocratic and undemocratic political leadership are manifesting themselves in the form of political upheavals and agitations for human rights.

From all indications, market forces alone cannot be an appropriate framework for recovery from crisis as the neo-liberals would want us to believe. All this reinforces the need for policy makers, scholars, governments, development agencies and civil society organizations, who are concerned with reversing the underdevelopment of the Southern countries, to restart the debate on the DDS, which seeks to rethink the state, revisit its nature, policy, politics and the path it took to development.

With the increasing rejection of neo-liberal policy initiatives by the majority of the Southern countries, policy and scholarly attentions are being directed at the state again. This time, the kind of state that is being sought has to be democratic and developmental, largely because of its expected role in the envisaged development process. The preconditions that must prevail to enable it to perform such functions are equally critical. In the construction of the DDS, therefore, scholars and policy makers pay adequate attention to its constituents that make it a reality and their ideological dispositions; the nature of the struggles going on between and among the constituents of the state and; how all this shapes the formulation and implementation of development policies and programmes and their renewals.

Further, there is the need to interrogate what should be the ultimate goal of the state in the global South, irrespective of whether its ideology of development is capitalist or socialist. It is all the more so, whether the state, as it currently constituted across the Southern countries, is really acting as a social public force in

promoting public good, regulating the markets, redistributing wealth and working towards the general good or welfare of its citizens. One other issue is the state's pliability, which on account of its politics and materialism is ever open to be driven by private interests, susceptible to those with power to influence its policies and decisions and to remain silent on the inability of its officials to promote the public good.

In contributing to the growing scholarly discourses on the prospects of the DDS in the South therefore, the Asian Political and International Studies Association (APISA), the Latin American Council of Social Sciences (CLACSO) and the Council for the Development of Social Science Research in Africa (CODESRIA) launched a tri-continental collaborative and joint research on 'The Feasibility of Democratic Developmental State in the South'. The research is designed to enable scholars from the Global South not only to reflect on a theme undergoing a revival in academic and policy circles, but also focus on some of the unresolved old and new issues such as regime types, embeddedness, representativity, democratization, good governance, environmental sustainability, political parties, crime, corruption, insecurity, legislature, civil society and cooperation, by sharing experiences and exchanges between and among the countries of the South-South. It is the expectation of the tri-continental research network that such studies will not only help to deepen the understanding and prospect of sustained development in the South, but the need to think out of the neo-liberal box, emphasizing the views from the global South.

At the APISA-CLACSO-CODESRIA's South-South Comparative Research Seminar held at Kampala, Uganda between November 27 and 30, 2006, scholars from Asia, Africa and Latin America presented papers on diverse issues, ranging from deconstructing the concept of the democratic developmental state with an emphasis on blocked democratization, formulating alternative framework for understanding the rise of the reformative state to case studies on electoral democracy and poverty reduction, developmental experiences, strategies for nurturing indigenous business class and advancing a framework of the South-South cooperation. The debate on the developmental state preceded the DDS, making it important to revisit the former in order to create a background context for understanding the latter.

The Developmental State Revisited

The concept of the developmental state was first brought to the fore by the underdevelopment and dependency theory (UDT) debate on the crisis of Latin American economy by scholars like Celso Furtado, Gunder Frank and Paul Baran in the 1960s. Structuralists like Raul Prebisch had undertaken studies on the underdevelopment of Latin America in the 1950s and traced its major cause to the exchange economy introduced by the subsidiaries of the United States'

transnational corporations. Prebisch's recommendations for the introduction of the import substitution industrialization strategy could not bail the region's economy out of crisis. Scholars like Celso Furtado and Andre Gunder Frank had, in response to the limitations of the Prebischian framework, provided the UDT paradigm as an alternative and more rigorous analytical tool for understanding the origin, nature and dynamics of the underdevelopment of Latin America. The analysis of the condition of the local, its politics and surplus extraction brought into bolder relief, not only the nature and role of the state in the underdevelopment of the region, but the need to rethink the state if it were to deliver development (Furtado 1964; Frank 1976/77; Baran 1973; Prebisch 1950).

Generally, the UDT paradigm gained currency in scholarly and policy circles across the Latin America in the 1970s. Writing in the late 1970s, for instance, Peter Evans formulated the concept of 'dependent development' to shed light on the nature of the Brazilian state and as a strategy to promote development in the country. Evans's formulation of the developmental state and dependent development were meant to embrace the notion of a strong and dynamic state embedding with an appropriate business class to collectively promote growth and to address the issues of inequality and poverty in Brazil. Evans's developmental state is one that successfully uses 'embedded autonomy' to relate realistically to the global economy with an understanding of its own limits (Evans 1995).

By the 1970s and 1980s, the fast economic growth of the Asian NICs had attracted UDT-inspired scholars like Frederic Deyo and Bruce Cummings. To Deyo and Cummings, the rapid economic growth of the NICs was a major feat that no Third World country had achieved in the post-1945 period. However, impressive as the rapid growth of the NICs might be, Deyo and Cummings described the state as autarchic and its strategy for industrialization was closed and not replicable in Latin America and Africa. They discounted the much touted 'Asian NICs development model' by the World Bank (Deyo 1987; Cummings 1984; World Bank 1983).

By the 1980s, not only was the governance of the development process of the NICs still the preserve of the state, its undemocratic practices, repression of human rights and annihilation of opposition political parties caused Paul Krugman, Deyo and Cummings to contend that there was really nothing 'mythical' and 'miraculous' about the economic growth of the 'Asian Tigers' as many a Koreanist scholar and even the World Bank, would want us to believe (Krugman 1994, World Bank 1993).

In spite of the democratic deficits of the developmental state and its role in the relative economic growth of the Asian NICs, the concept still gained prominence in the discourses on the Asian development process. Contextualized as a 'hard state', the developmental state holds out great lesson for the political leadership, scholars and policy makers from the developing countries, especially

from Africa, where the problem is not so much that development has failed, but that it has never really been on the agenda of the state. For example, Singaporean Prime Minister, Lee Kuan Yew, had contended that Singapore did not need democracy to develop, as evident in his claim of having moved Singapore from the Third World to the First without democracy. To him, the experience of Singapore was such that the hard Singaporean state had first to promote rapid economic and industrial growth, before it began to embark on democracy (Yew 2000).

However, it would be quite misleading to recommend Yew's narrow conception of the developmental state for other countries of the South. In fact, Yew, who is regarded as a 'Minister Mentor' in Singapore, has embarked on a self-critique or revision of his previous hardliner's view on the politics and development of the country since the 1990s. Interestingly, Yew had made a U-turn on his views on the opposition political parties that he once undermined while in government by advocating the increased participation of the opposition political parties in the national political process. He also recommended that the 'hard state' should relax policies that led to human rights abuses. The democratic deficits that the Singaporean state faced really question the basis for characterizing it as developmental.

In Africa, the UDT paradigm was popularized by scholars like Samir Amin and Claude Ake in the 1970s to deepen the understanding of the political economy of the African development crisis. This framework was not well received in government and policy circles, largely because of the fear by the political elite that its Marxist-Leninist leanings could incite the people to rise against the predatory African state (Amin 1974; Ake 1978). The 'Kenya debate' of 1978, which focused on the prospects of capitalist development in Africa, was the climax of the utility of the UDT in explaining the nature of the African crisis. The debate had deepened the understanding of the nature of the state and its role in the continent's worsening trend of underdevelopment (Leys 1975). The 'Kenyan debate' further brought into greater relief how the zero-sum politics of the political elites would hinder the possibility of a developmental state emerging in Africa.

Without doubt, the state in the Asian NICs had promoted impressive growth, but the absence or lack of democratic credentials in its polity and economy was a major hindrance to its capacity to sustain such growth and converting it into development. The same is true of Latin America, where the autocratic nature of the state in the 1950s and 1960s frustrated the rise of a developmental state. In Africa, the state remains irrelevant to the existential conditions of the people.

Irrespective of the pockets of economic growth recorded in some of the countries in the global South, there is the general concern for the re-insertion of the state into the pursuit of development. This time, scholars, policy makers and civil society groups are charting the path of a democratic developmental state.

This state must demonstrate democratic practices, good governance, open up the political spaces and democratize development. It is desirable to consider some theoretical formulations regarding the DDS.

Conceptualizing the DDS

By the 1990s, societies and governments – whether poor, emergent, transitional or industrialized – had realized the need for the modern state to combine democracy and markets in order to tackle rising transformational, distributional and industrial challenges facing them. The argument is put forward that the state's capacity to provide affordable and sustainable public goods for the people depends on its democratic credentials. Scholars like Mark Robinson, Gordon White, Peter Evans, Adrian Leftwich, Linda Weiss, Richard Sklar and Thandika Mkandawire have contributed immensely to the growing academic debate on the subject from various perspectives.

In formulating the notion of the democratic developmental state, Adrian Leftwich insisted on the ability of such a state to promote political and economic development. He defined the democratic developmental state as a transitional form of the modern state which has emerged in late developing societies with political and bureaucratic elites that have achieved relative autonomy from socio-political forces in the society and want to use their position to promote a programme of rapid economic growth. It is a state that has been able to sustain the formal process of democracy while generating an annual growth rate in gross national product (GNP) *per capita* of four percent over a minimum of 35 years, while the non-developmental democratic state is unable to achieve such growth rate over the same period. He added the *caveat* that the developmental democratic state should have a national government in which people, political parties, and groups are free to pursue their interests according to peaceful, rule-based competition, negotiation and cooperation with institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of competitive struggle for the people's vote.

Leftwich also attempted a preliminary classification of the DDS into two broad groups: (i) *developmental democratic state*; and (ii) *non-democratic developmental state*, noting however, that the developmental state is not static. Included in the concept of the democratic developmental state are the 'dominant-party developmental democratic states' and the 'coalitional-developmental democratic states'. In a dominant-party developmental democratic state, political parties play crucial roles in the political and economic development of the country. Leftwich cited Botswana and Singapore as good examples, in part, because the Botswana Democratic Party (BDP) and the People's Action Party (PAP) of Singapore have been in power for a long time and have equally played significant roles in the relative economic growth of these countries. According to him, in a 'coalitional

developmental democratic state', the various political groups and institutions form a coalition government and they agree on a common vision and development strategy for fostering the growth and development of the society. Mauritius and Malaysia have been categorized as examples of this type, because of the ability of the political elites to manage the complex plurality of these societies (Leftwich 1996).

No doubt, Leftwich's analysis gave useful insights into the extent to which the nature of political elites and the political competition could permit the emergence of the DDS in the countries of the South. However, Leftwich's insistence on constant four per cent *per capita* growth in the GNP spread over 35 years may seem somewhat unrealistic, as there are no indications of such a state having emerged in the developing countries. The goal seems in practice very difficult to achieve in any country of the South. He did not cite any Western country with such a history of economic development to buttress the argument. Leftwich glossed over the 'growth without development' thesis, which argues that growth does not automatically lead to development though it may facilitate it.

With one political party dominating a government for over three decades the prospects for democracy must be doubted. Lee Khuan Yew ensured that the PAP dominated the politics and economy of Singapore, but with the opposition nullified the leadership of the PAP is imploding the party itself. The party lacks internal democracy. It is doubtful how Leftwich's recommendation regarding a single and dominant political party will facilitate the rise of the DDS in the South. Clearly, one needs to go beyond the characterization of the democratic developmental state as put forward by Leftwich, as Chapter Two attempts to do.

Gordon White had noted that the concept of the democratic developmental state is still evolving and the majority of the writings on the subject inclusive of his work have only helped to sharpen the focus of the debate. The current work is also an effort in this direction.

For White, the extent to which the instrumentality of democratic politics permits the progressive organization of the public goods determines the level at which the state can be regarded as developmentally oriented and successful. And that if such successes like the regulative, infrastructural, redistributive capacities of the state were reasonably tied to democratic political practices, the state could be classified as democratic and developmental. For the state to play these roles successfully, it requires strong political authority and administrative capacities to maintain public order and manage social and political conflicts that arise from structural divisions in the society. He explained the regulative capacity of the state as its framework for managing micro and macro-economic policies; its infrastructural ability as the creation and sustenance of physical and social utilities and the state's redistributive capacity being concerned with the amelioration of social inequality, poverty and gender biases in the society.

White identified six key elements: autonomy, social embeddedness, consensual autonomy, institutional coherence, authoritative penetration and inclusive embeddedness. He defined state autonomy as the capacity and independence of state institutions and political elites to compile and implement strategic development programmes; while social embeddedness refers to the state as a part of the larger alliances with other social groups that stimulate social and economic change. Consensual autonomy of the state means the capacity of institutionally accountable political elites and the administrative agencies to design and implement development programmes for the good of the society. The state's institutional coherence refers to the constitutional arrangements for the distribution and use of political power and in relationship with the bureaucracy and the party systems. Authoritative penetration means the state institutions' ability to extend their regulative and extractive capacities on a consensual basis by enforcing economic regulations, among other functions. Finally, inclusive embeddedness implies that the social basis and range of accountability of the state goes beyond a narrow band of elites to embrace broader sections of the society.

However, White had noted and rightly too, that the prospects of the elements of the democratic developmental state in any society as itemized above, are shaped by the interplay of major structural and institutional features, which vary from one society to another. He identified the five key features as the level of the 'socio-economic development' and its social structure as it relates to class, gender, ethnicity, culture and religion; 'civil society' in terms of its capacity to influence the socio-political activity of the citizens and groups; 'political society' with reference to the nature and character of institutions created as channels of political participation and social base of the party system; 'state institutions' in regards to the distribution of political and administrative authority, the rules governing access of citizens to political power and the manner in which political authority is exercised; and, finally, the 'international environment', which refers to the nature of the external political and economic pressures and how they impinge on the society (White 1998).

Compared with Leftwich's conception of the DDS, White is more holistic in approach and provided a deeper understanding of the issues that will help to determine its feasibility in the South, or in a given society. But beyond the identification of the features of the DDS, his analysis did not capture the realities in most countries of the South where a few rich political elites form political parties to cater for narrow social, economic and political interests, as demonstrated in Chapters Three and Five. On the contrary, White relied on secondary materials that were analysed within the framework of Western development theories by Africanist scholars like Larry Diamond (Diamond 1996) and David Kong's writings on South Korea (Kong 1995).

White's six major elements expected to make the democratic developmental state successful largely re-stated David Easton's thesis on extractive, regulative and distributive capacities of the political system; Gabriel Almond's structural-functional analysis and the seven variables for measuring the performance of the political system and the modernization theory of David Apter (Easton 1953; Almond *et al* 1965; Apter 1965).

The theoretical formulation of the DDS should draw extensively from the experiences of the South because the West does not really need development and the discipline of development studies has long been waning in West and the core countries of the North, leaving the developing countries to serve only as laboratories for experimenting with some of the eclectic approaches to development (Ihonvbere 1992). If the West has achieved development and that scholarship on development studies should be more concerned with experiences of the South then, S. P. Varma was quite right when he argued that the dominance and prevalence of western political and economic development theories in the discourses on political theory and development should be eschewed in developing countries whose peculiar situations have never been properly articulated in the literature (Varma 1975). All this questions the theoretical foundation of White's conception of the DDS in the context of the reality of the South.

In his contribution to the debate on the DDS, Richard Sklar emphasized the need to deepen democracy in order for the sought state to emerge in the South. This is because, democracy comes to every nation or country in fragments, with each fragment, irrespective of its variation, becoming an incentive for the addition of another until the democratic developmental state is fully actualized. This represents institutional accumulation of democracy. In essence, the sought state would emerge incrementally (Sklar 1996).

Sklar's advocacy of an incremental approach to the realization of the democratic developmental state is understandable, given the historical antecedents and uneven level of the capacities of the state in the extractive, redistributive and transformative contexts to bring about holistic development of a country.

However, Sklar did not provide insights regarding the time frame open to the political leadership as it attempts to move onto its path to development before striking the right political, social and economic fundamentals for the rise of the democratic developmental state. As a profound Africanist scholar, Sklar would have factored into his formulation of the incremental developmental state the present governance and democratic deficits and market failures facing the post-colonial state in Africa. For instance, the Nigerian state could not conduct any credible election after many years of political independence in October 1960. Would Sklar advocate allowing more years for the Nigerian state to acquire the capacity to hold free and fair elections? It could be an endless wait. Much as

Sklar's thesis on political incrementalism could be factored into the prospects of the democratic developmental state in the South, there is a need to suggest a time frame within which the state institutions are expected to have acquired the capacity to deliver the public good, and within which the people, civil societies, pro-democracy groups, social, economic and political movements can measure the performance of the state.

What is more, the politics of plurality in the South is too critical to the success of institutional accumulation for Sklar to have glossed over it in his analysis. Sklar's institutional accumulation will be further constrained by the rights-based views of democracy among the rural poor in the South for two basic reasons. First, individual rights to political representation, political appointments and formation of political parties have hardly been actualized by the rural dwellers. Rather, the urban elite have, in most cases, mobilized the rural poor financially while handing out limited economic benefits. In doing so, these elites have claimed to be advancing rural interests, whereas their ultimate purpose is to exploit them. This is quite evident when the urban elites take up virtually all political positions and more or less abandon the rural masses same people once elected to office.

Second, the social exclusion of the rural poor from effective participation in politics is not so much due to their low levels of literacy, limited access to formal sources of information, physical distance from decision makers and political parties, and the lack of time due to exigencies of survival. On the contrary, these constraints are all symptoms of the zero-sum strategy of the political elites. They cash in on the limitations of the rural poor to dictate the trend and nature of political contestations, political recruitment and handing over of political largess while manipulating cleavages in the rural communities.

In agreement with Castells, Myrdal and Evans, Thandika Mkandawire has noted that the ideology of the developmental state mirrors its goals. That is to say, the major preoccupation of the developmental state is to ensure sustained economic growth and development, as the economy records high rates of wealth accumulation, industrialization and structural change. The developmental state should have the capacity not only to formulate and implement economic policies, but to deliver development. The state's capacity to perform creditably well should be derived from a combination of institutional, technical, administrative and political factors. The developmental state also needs to enjoy autonomy from social forces that otherwise could frustrate its efforts aimed at achieving long-term development objectives for the society. At the same time, the state should be 'socially anchored' to prevent it from using its autonomy in a predatory manner (Mkandawire 2001; Castells 1992; Myrdal 1968; Evans 1995).

That said, Mkandawire undertook a self-critique, arguing that the concept of the developmental state as outlined above can be misleading, partly because it not only equated the success of the policy outcomes of the state with its strength,

which is not necessarily the case in all situations, but that it glossed over the trial and error nature of policy making, a problem that even the most successful state is still faced with. Further, the definition of the developmental state did not create any room for the possibility of poor performance, which can arise from concealed factors and unpredictable natural disasters and so on. The state may find itself unable to cope with such unanticipated crises, and its developmental failures may be put down to a large amount of simple bad luck. Mkandawire argued that a combination of these factors constrained the efforts of some African countries like Botswana, Cameroon, Nigeria and Côte d'Ivoire which otherwise had the potential to move onto a developmental path in the mid-1970s.

Mkandawire defined the developmental state as 'one whose ideological underpinnings are developmental and one that seriously attempts to deploy its administrative and political resources to the task of economic development' (Mkandawire 2001:291).

Without doubt, the ideological underpinnings of the state are important, largely because they create the rationale, give legitimacy for its policies, and help to bind the ruling class together. Equally, Mkandawire might be right in arguing that the major task of the developmental state is to promote economic development, especially for Africa, where the state has failed to deliver.

However, it can be argued that the scope of the democratic developmental state extends beyond the technicist realm of promoting economic development, as Mkandawire would want us to believe. This kind of state ideally advances a holistic development. The DDS should have the capacity to strike a balance between democratization and economic development in the pursuit of its development objectives. Ideologically, the DDS should show the political willingness to use either capitalist or socialist policies to promote holistic development. One of the contradictions of the African state is its undemocratic politics and its mode of surplus extraction from the economy. State capitalism stems largely from either how the state managers use its political power to extract surplus from the economy or the state uses the publicly owned enterprises to mediate its accumulation of wealth. This is worsened by the fragility of the state and its tenuous relationship with production, all of which has reduced politics to the pursuit of wealth, instead of service to the people. Mkandawire ought to have factored all this into his conception of the developmental state.

Defining the developmental state has been problematic, in part, because scholars tend to rely largely on developmental outcomes like the success or failures of the state in characterizing it. Stephen Gelb, for example, has proclaimed that South Africa is not a developmental state because of what he termed its 'low level of equilibrium trap and its failure to reach a pact with its social partners around growth and redistribution' (Gelb 2006).

Equally, to define the democratic developmental state in terms of its objectives has raised another concern. If the developmental state is to be defined only in the context of its objectives, then the post-colonial African state could be classified as developmental on account of its stated orientation. But beyond its orientation, the actuality of the African state shows that it has not done much to promote the development of the continent in the post-colonial period.

Generally, these definitions have contextualized the democratic developmental state in terms of its role. In doing so, scholars have, in most cases, ignored the fact that the role of the state is ever-increasing, particularly as it responds to the needs of the people and society. Also, the majority of the scholars engaged in the discourse expect the full-blown attributes of the democratic developmental state to be present before it can be classified as such. This can be mistaken because the creation of the democratic developmental state must confront certain inherent contradictions like rent seeking, which, hopefully, can be resolved as the state actualizes its full developmental potentials.

Further, scholars have, in most cases, failed to establish a causal connection between the state's organisational structures and its relations to societal actors and development outcomes. Peter Evans, in *Embedded Autonomy*, has argued that in defining a developmental state, the trick is to establish a connection between development impact and the structural characteristics of the state in the context of its internal organizations and relations to society (Evans 1995). That is to say, certain institutional attributes of a developmental state are not only positively correlated with growth, equality and poverty reduction, but also have significant effects on these dependent variables. It is important to note that, in defining the democratic developmental state, autonomy and synergy are not only positively correlated with economic growth and equality, but that they are powerful explanatory variables of them. These conceptualizations have informed the context within which the democratic developmental state can be established, as demonstrated in Chapter Seven of this work.

In all, the discourses on the DDS and its prospects in the South have thrown up considerable development problems, some of which are examined in various chapters in the work. Also, critical unsettled theoretical issues have been raised that need clarifications in order to deepen the understanding of the democratic development state and the context in which it is used in the work.

Clarifying Unsettled Concepts

The State: As a concept, the state has been construed by most of the scholars engaged in the debates on the DDS largely in its territorial connotation with set rules and orders that are administered by a national government. The different academic backgrounds of the contributors to the work also account for the various contexts in which the state is cast. But it would be misleading to contextualize

the state solely in the Weberian sense, as there are individuals and institutions that are in power, but not necessarily in government. There are also other groups that have representatives in government, but not necessarily in power.

Therefore, the 'state', as used here, refers to the totality of the classes, institutions, groups and individuals which, acting as a public social force, dominates the society not impartially, but in terms of the narrow group interests that make it a reality. In practical terms, the state includes the political leadership which is not class neutral and impartial as implied at times by some mainstream scholars. This explains why the state is unable to rise above the narrow interests of its constituents in its approach to politics and the kind of development that it promotes. It is an institutional mechanism for the domination of society, because the political leadership consists of individuals, groups and institutions that cut across all facets of the society. The groups and institutions include the oligarchy, professional business groups, local private capital and fronts of foreign capital, and the bureaucracy among others. In essence, it is the nature of the struggles that goes on between and among these institutions of the state that in turn shapes not only the content and direction of the outcome of public policy and the kind of development a country experiences, but the prospects of a real developmental state in the South.

Viewed in this context, the democratic developmental state refers to the political leadership and its institutional groups which enjoys a reasonable measure of autonomy from the society, but aligns with groups, classes and institutions that will facilitate the delivery of its set development objectives. The defining characteristics of the DDS include, but are not limited to, accountability, responsiveness and transparency, democratic governance, autonomy, and a people-centred development strategy that can promote delivery of the public good.

That is not all. The state is quite distinct from the government; yet some scholars have used both the state and government interchangeably as if they connote the same. Essentially, government refers to a group of legitimately elected representatives of the people, who are empowered with the appropriate authority to govern people and administer state institutions according to set rules and regulations within a geographical entity. Such a government may come down to a mere clique, promoting its own class interest and agenda while claiming to accomplish the task of societal development.

However, the government exists not only to service the state, but acts as the theatre where the various state institutions are engaged in constant and fierce struggles over the control of the state's political power. It is all the more so, because the holder of the instrument of state's power has the key to wealth (Marx 1978; Ake 1995; Miliband 1969; Omoweh 2005).

Comparative paradigm. The discourses on the democratic developmental state have been largely comparative. But the majority of scholars have not really

developed adequate paradigms to guide the researches either by direct modelling or establishing rules and the limits of what is possible in such interrogative efforts. Many a scholar has taken Peter Evans's 'embedded autonomy' as the defining characteristic of the DDS and have juxtaposed it with the experiences of other developing countries. But this is to fail to take cognizance of the Brazilian situation on which Evans wrote. This approach cannot create an appropriate paradigm for comparing the experiences of countries of the South. There is really no methodology for guiding the inquiry and the search for practical solutions in most cases. Worse still, there is no predominant theoretical framework, even multi-disciplinary, that informs the investigation of the democratic developmental state. Scholars have rather approached the subject from their respective academic disciplines, making generalizations on subjects that cut across continents and countries without due regard to their different trajectories of development, political leadership, political system and socio-cultural backgrounds (Chilcote 1994).

Therefore, there is a need for a comparative paradigm as the discourses on the DDS progress. The absence of such a comparative framework to guide the various contributions in the present volume stemmed from the fact that they were initially written as conference papers. Chapter Two is the only exception in this work. Subsequent interrogations on the DDS should emphasize the incorporation of an appropriate comparative framework, especially in case studies.

The Structure of this Work

With this first Chapter serving as an introductory overview of some key issues, the rest of the work is structured as follows.

'Understanding the Rise of the Reformatory State and Its Choice of Policy: An Agent-Structure Approach' is the thrust of Chapter Two. It examines the feasibility of the emergence of the reformatory state in the South. Within the agent-structure framework, it analyses the state's choice of policy, its receptivity or non-receptivity and its capability or incapacity, to adapt to change. The strength of the framework lies in its dialectics, because it deepens the understanding of the state and economic change.

The Chapter argues that the state is inherently a reformatory agent, but there is the need to understand the circumstances under which the states in Southern countries relate to society. Beyond the autonomy of the state, there is the necessity for making appropriate policy and taking decisions with inputs from the public and private sectors. It discusses the factors motivating the agents in the reform process, using the rational choice model. It examines how the global process and institutions like the World Bank and International Monetary Fund limited the agents' rational decision-making process, drawing on the experiences of South Korea, Taiwan, Malaysia, among others, where the political elites are able to surmount such hurdles.

The Chapter submits that the rise of the reformatory state is indispensable to the development of the South. But such a prospect is conditioned by the willingness of the political and economic elites to be receptive to change, to be flexible in policy and institutional reforms, as the state embeds with the larger global system.

Chapter Three, 'Deconstructing Democratic Developmental State: Blocked Democratization and Political Parties in Nigeria and South Korea', problematizes the democratization agenda of the state in both countries. Within this context, it examines the internal democratic practices in political parties and the feasibility of the DDS in both countries. It argues that the state's zero-sum politics blocks the process of democratizing the polity and hinders political parties from getting underway.

The chapter examines the history, leadership, structure, financing and governance of political parties in both countries, taking note of the similarities and differences between them. It argues that there is a crisis of democratization in the political parties, as evident in the manner in which they formed, disbanded, merged and regrouped. These parties lacked internal democratic practices and leadership positions were cornered by a few powerful members as instruments for advancing their narrow social, economic and political gains, leaving the majority of the members of the party politically disempowered.

The Chapter recommends the democratization of the governance of the entire development process and of political parties in particular. Further, it would be desirable to reinforce democratization through the creation of appropriate political spaces for civil society groups. Such groups would act as a check on the policies of the state that are ambiguous, and anti-people, and to pressurize the state to account to the people and respond to their yearnings. It also recommends the creation of movements that will empower the people, groups and communities to form social, political and environmental movements on critical development issues. Such movements will in turn, not only provide the platform for the formation of political parties with clearly defined ideologies of development and politics, but enable individuals and institutions to imbibe democratic practices and culture. That way, the democratization of political parties will facilitate the prospects of the DDS in Nigeria and South Korea.

'Democracy without Citizens in Latin America' is the focus of Chapter Four. In particular, it looks into the opportunities available to democratic regimes and the threats they are faced with in Mexico and Venezuela. In doing so, it considers the role of the citizenry in shaping the emergence of the democratic developmental state in the region. It analyses how the European colonial legacy disarticulated the culture and social lives of the people and of the productive system of the economy. Such a heritage, coupled with the lack of civil citizenship, weak political leadership, corruption and the neo-liberal economic reforms entailed by the Washington

Consensus, have prevented the relatively positive economic growth recorded by Latin American countries from translating into an improved living condition of the majority of the people.

The Chapter discusses the weakness of the political leadership and the challenge it poses to democratic consolidation across the region. In particular it looks at political party systems in Venezuela, where the traditional political parties disappeared shortly before Hugo Chavez became President. It captures the most recent changes that have taken place in the electoral processes, and the re-orientation of political trends with the emergence of leftist candidates that produced the change in the ruling party but preserved a basic loyalty to neo-liberal politics.

Charting alternative strategies for democratic consolidation and the rise of the democratic developmental state in Latin America, the Chapter calls for the redress of unsettled issues. These issues include the need to deepen the democratization process in Latin America, the imperative to reconcile the neo-liberal styled structural reforms with public demands, and to subject to deep examination the recent changes in the party system and the implications for democratic consolidation. Other issues are the need to foster interaction between the old and new powers, to tackle corruption head-on, and the problem of drug trafficking, all located in the context of national or regional security.

Chapter Five, 'Electoral Democracy and Poverty Reduction in Cameroon and Burkina Faso', provides a theoretical and empirical framework that examines the linkage between electoral democracy and poverty reduction in sub-Saharan Africa. It argues that democracy is a theory of the public good, largely because a significant part of its financing is derived from the state. Its review of the status of electoral democracy in Africa shows four major areas to which political elites should pay attention: voting theory, theories of interest groups, debt and political behaviour and theory of bureaucracy.

In particular, the chapter examines parliamentary elections in both countries with an emphasis on the electoral strategies of the political candidates in terms of the organization of the parties, and their human and material innovative capacity. In doing so it draws on the parliamentary elections held in Cameroon in July 1995 and Burkina Faso in May 1997. It analyses how the ethnic and regional membership of religious groups, populism and the platforms of candidates shaped the electoral attitudes of voters in both countries.

The Chapter formulates general and specific models for a quantitative analysis of electoral democracy and the fight against poverty. It incorporates variables such as the number of votes in a given population, the incidence and depth of multidimensional poverty, and the proportions of the poor and non-poor who vote either in favour or against the ruling party. The outcome of the elections in Cameroon and Burkina Faso showed that neither the ruling parties nor the elected

representatives were concerned with mitigating poverty because they failed to formulate policies that helped to broaden the social and economic opportunities of the poor. This implies that elections were not a powerful means for compelling governments and the elected representatives of the people to reverse the deplorable material conditions of the majority of the poor.

It submits that all national and international stakeholders participating in elections should use the ballot box to promote accountability and enhance the well-being of the marginalized segment of the population. It also suggests the need to create more access to information, establish more local and rural radio stations with an emphasis on their independence, and the imperative of popularizing new information technologies among others.

Chapter Six, 'Democratic Developmental State: The Indian Experience', considers how the Indian state adapted its tradition and history to the requirements of its national goals of modernization and the overall development of the country in the post-colonial period. Its major concern is not so much with the state and the market, but with what kind of state and what kind of market evolved in terms of the aims of a democratic developmental state. This issue is all the more central given the strategies adopted by the Asian NICs to bring about economic growth. Such strategies included a strong market element and the encouragement of private investment in key industries through various incentives. The state created and nurtured an indigenous entrepreneurial class; identified and implemented critical economic development programmes and projects; and guided priority industries to compete internationally.

In particular, the Chapter examines how India's policy of non-alignment helped the country to chart its own path to social, political and economic development. In doing so India was able to obtain economic and technological assistance from both Western and Eastern blocs. This, in turn, helped to keep the state's defence expenditure low in the first decade of its independence, and precluded severe ideological disputes over national economic priorities and strategy.

The chapter discusses the main features of the DDS exhibited by the Indian state such as democratization, decentralization, an empowered civil society, and corrective influences on the country's quest for industrialization. Other features of the Indian state of note include its development strategies and economic and social programmes and projects, such as economic cooperation and integration, South-South cooperation, energy security, demographic trends and business process outsourcing.

The Chapter shows that the Indian state has played a central role in the economic development of the country over the last six decades. While the role of the state was extensive and almost paternalistic in the pre-liberalization period, it became critical and facilitative thereafter. The state provided the political space for the

growth of civil society initiatives nationally and internationally, and facilitated corrective feedback mechanism through the conduct of periodic elections. In conclusion, it suggests that, even though the Indian state's experience might hold out useful lessons for other states in the South, it cautions them against a blanket approach to the establishment of a DDS because of differing historical, economic and cultural backgrounds.

Chapter Seven, 'Democratic Developmental State? Institutional Structures for Incubating Entrepreneurial Class and Poverty Reduction in Malaysia and South Africa', examines the need to promote an inclusive development strategy that embeds the state with business. The active role of the local business class is one of the defining characteristics of the DDS and its absence poses a major policy challenge. It conceptualizes the DDS with emphasis on its institutional characteristics. It compares the efforts of the Malaysian state and its counterpart in post-apartheid South Africa to nurture a virile indigenous entrepreneurial class that will partner with the state in the development process of both countries.

With regards to Malaysia, it examines the institutional foundations, the internal institutional characteristics and role of the state in creating the indigenous business class in the country. It examines the National Economic Policy (NEP) in two interrelated contexts. First, the NEP is the state's policy to reduce and eradicate poverty through creating employment opportunities and incomes for all Malaysians irrespective of race. Second, it redressed the ethnic imbalance between the minority Malays and the ethnic Chinese. Its analysis of the implementation of the objectives and impact of the NEP showed that it facilitated the entry of the Bumis into the business class as they enjoyed state privileges such as channelling bank loans to their entrepreneurs, purchased shares in companies and obtained large state contracts, among other state largesse. However, the emergent Bumis business class took to rent-seeking, especially as they relied more on the state's patronage than in investing in production.

Its analysis of the state institutions and state-society relations shows that the Malaysian state was still authoritarian and undemocratic in its politics, as evident in the curtailment of press freedom, restriction of the people's rights, and prohibiting parliamentary debate of the NEP. The Malaysian state was only partially embedded, as it established ties only with a section of the business community. Thus the state lacks inclusive embeddedness, as the selection of participants in the embedding process was based on individual capacity and that partly accounted for their minimal contribution to public policy.

The Chapter discusses South Africa's similarities with the Malaysian case. Both states have sought to promote human-centred development. The bureaucrats are insulated from external pressure in both countries. The South African state has also achieved cohesion and a shared common agenda like its Malaysian counterpart.

Under the framework of ‘Governed Interdependence’, the South African state has consulted with more civil society organizations in the policy making process, thereby promoting more state-society/trade union/business relations. Under the National Empowerment Fund (NEF), the state introduced measures that facilitated state-black business relations. The white business class was apprehensive of the policy of the African National Congress (ANC) to re-distribute wealth in favour of black business. These are some embryonic features of the DDS.

Further, the Chapter argues that the South African state lacks the capacity to achieve its development potentials, as evident in its weak departments and ministries to provide public goods. The establishment of a New Public Management (NPM) framework failed to empower the bureaucrats, because it destroyed their esprit de corps. The worsening trend of inequality remains a major challenge for the post-apartheid state in South Africa.

The Malaysian and South African states have built institutional foundations that helped to incubate an indigenous entrepreneurial class and to reduce poverty in both countries. Both states evinced elements of the DDS, but the Malaysian state had stronger institutional frameworks than its South African counterpart. In regards to the degree of embeddedness, South Africa had more than Malaysia. The Malay business class and its counterpart in South Africa were largely dependent on the state for survival. In terms of policy coordination, the EPU in Malaysia played more roles compared to the PCAS in South Africa.

The Chapter argues that there is a need to democratize the political leadership in both countries; to have the state more focused on development projects; and to construct appropriate institutions to help actualize development goals. Malaysia’s experience of deliberately constructing the institutional arrangements that enabled the state to pursue its developmental programmes should be a lesson for South Africa.

Chapter Eight, ‘Notes on South-South Cooperation and the Democratic Developmental State: Cuba and New Research Agenda’, examines the utility of the framework of South-South cooperation for facilitating the emergence of the developmental state in the South, or strengthening this kind of state where it is already developing. It pays particular attention to the promotion of social, economic and political stability, the sharing of development experiences, and the reversal of dependence of the Southern countries on the North. It draws on the experience of Cuba with its advanced technological capabilities in tropical medicine and illustrates how the country has exchanged such expertise with African countries like Uganda.

The Chapter explains how Cuba, under the South-South framework, has assisted other developing countries like Pakistan, Indonesia, India, Brazil and China that have used the South-South framework to market their vital medicines at

affordable prices in other developing countries like Nigeria. It provides a new research agenda that will facilitate cooperation between and among countries of the South in the hope of leading to the rise of the democratic developmental state in Third World countries.

Chapter Nine consists of a Conclusion which summarizes the strategies that could lead to the emergence of democratic developmental states in the South.

References

- Ake, Claude, 2001, *The Feasibility of Democracy in Africa*, Dakar: CODESRIA.
- Ake, Claude, 1995, *Democracy and Development in Africa*, Washington DC: Brookings Institution.
- Ake, Claude, ed., 1985. *The Political Economy of Nigeria*, Lagos: Longmans.
- Aldrich, John, 1995, *Why Parties? The Origin and Transformation of Political Parties in America*, Chicago: University of Chicago Press.
- Amsden, H. Alice, 1989, *Asia's Next Giant: South Korea and Late Industrialization*, New York: Oxford University Press.
- Aristotle, 1981, *The Politics*, Harmondsworth: Penguin.
- Bang-Soon, L. Yoon, 2003, 'Gender Politics in South Korea: Putting Women on the Political Map', Lecture presented at the 2003 Annual Congress of the American Political Science Association, 28-31 August, 2003.
- Belov, G., 1986, *What is the State?*, Moscow, Progress Publishers.
- Castells, Manuel, 1992, 'Four Asian Tigers with Dragon Head: A Comparative Analysis of State, Economy and Society in the Asian Pacific Rim', in Applebaum, R. J., ed., *State and Development in the Asian Pacific*, Newbury Park: Sage Publications.
- Chalmers Johnson, 1987, 'Political Institution and Economic Performance: The Government-Business Relationship in Japan and South Korea', in Frederic Deyo, *The Political Economy of New Asian Industrialism*, Ithaca: Cornell University Press.
- Deyo, C. Frederic, 1987, *The Political Economy of the New Asian Industrialism*, Ithaca, Cornell University Press.
- Duverger, Maurice, 1954, *Political Parties: Their Organization and Activities in Modern States*, New York: Wiley.
- Fritz, V. & Menocal Rocha, 2006, 'Re-building Developmental States: From Theory to Practice', London: ODI, Working paper #274.
- Huntington, Samuel, 1991, *The Third Wave: Democratization in the late Twentieth Century*, Norman and London: University of Oklahoma Press.
- Hasan, Parvez, 1976, *Problems and Issues in a Rapidly Growing Economy*, Baltimore: John Hopkins University Press.
- Johnson, Michael, 2005, *Political Parties and Democracy in Theoretical and Practical Perspectives: Political Financing Policy, Parties and Democratic Development*, Washington, DC: NDI.
- Lumumba-Kasongo, Tukumba, ed., 2006, *Liberal Democracy and Its Critics in Africa*, Dakar: CODESRIA.
- Kaiser, J, Paul and Okumu Wafulu, F, 2004, *Democratic Transitions in East Africa*, Aldersholt, England: Ashgate.
- Marx, Karl, 1978, *Capital: A Critique of Political Economy*, Volume II.

- Miliband, Ralph, 1969, *The State in Capitalist Society*, New York: Basic Books.
- Mkandawire, Thandika, 2001, 'Thinking about the Developmental State in Africa', *Cambridge Journal of Economics*, 25, 3, May, pp. 289-313.
- Mkandawire, Thandika, 1999, 'Crisis Management and the Making of "Choiceless Democracies"', in Richard Joseph ed., *State, Conflict and Democracy in Africa*, Boulder, Colorado: Lynne Rienner Publishers.
- Myrdal, G, 1968, *Asian Drama, An Inquiry into the Recovery of Nations*, New York: Pantheon.
- Omoweh, Daniel, ed., 2006, 'Resources, Governance and Democratization in Africa', *International Journal of African Studies*, 5.1. [guest editor-special issue].
- Omoweh, Daniel and Boom, Dirk van de, 2005, *Blocked Democracy in Africa: Experiment with Democratization in Nigeria, 1999-2003*, Abuja: KAF.
- Omoweh, Daniel, 2005, *The Political Economy of Steel Development in Nigeria: Lessons from South Korea*, Trenton, NJ: New Jersey.
- Omoweh, Daniel, *Shell Petroleum Development Company, the State and Underdevelopment of Nigeria's Niger Delta: A Study in Environmental Degradation*, Trenton, NJ: AWP.
- Poulantzas, Nicos, 1970, 'The Problems of the Capitalist State', *New Left Review*, 58, November/December.
- Soh, Changrok, 1997, 'From Investment to Innovation? The Korean Political Economy and Changes in Industrial Competitiveness', Seoul: Global Research Institute, Korea University.
- Uk, and Stockton, 2005, 'The Impact of Democratic Transition on Elections and Parties in South Korea', *Political Parties*, 11, 6, pp. 674-688.
- Weber, Max, 1964, *The Theory of Social and Economic Organization*, New York: Free Press.
- Whitehead, Lawrence, 2002, *Democratization: Theory and Experience*, Oxford: Oxford University Press.
- Southall, Roger and Melber, Henning, eds., 2006, *Legacies of Power: Leadership Change and Former Presidents in African Politics*, Uppsala: Nordiska.
- United Nations Development Programme, 2000, *Human Development Report*, New York: United Nations.
- World Bank, 1993, *The East Asian Miracle: Economic Growth and Public Policy*, New York: Oxford University Press.