Theories of development and underdevelopment

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1 Introduction

Since World War II theoretical approaches to the question of development and underdevelopment have been modified and transformed as the result of a series of debates both within and between two major intellectual traditions which we might call positivist and Marxist. The first stage in this transformation process was characterised by the initial optimism and dominance of modernisation theory in the 1960s and 1970s. The second stage, the late 1960s and early 1970s, was characterised on the one hand by a conservative reassessment of modernisation theory resulting in a modification of its very intellectual foundations. The conservative reassessment represented a switch in emphasis from cultural transformation to political order as the crucial ingredient of development. On the other hand we saw the emergence of radical structuralists (Latin American dependency theorists) who drew the intellectual basis of their critique from Marxist theories of imperialism and the economic components of modernisation theory. The third stage, dating from the mid-1970s, is perhaps the most intellectually complex. It can be characterised by the growth of a process of critical evaluation of modernisation and dependency theory from both the left and the right, resulting in an acknowledgment of the complexity of the nature and causes of underdevelopment noticeably absent from the earlier phases.

It is important to stress that modernisation theory's intellectual crises in the 1960s did not result in its replacement by neo-Marxist analysis (whatever the variant) as the dominant manner of studying the Third World in some kind of Kuhnianesque paradigm change.2 Instead the development of theory is best seen as the development of contiguous and parallel streams of competing descriptive and prescriptive traditions. Within each stream, however, analysis continues to revolve around the same fundamental theoretical questions. However, modernisation theory, particularly its economic growth theory component, has continued to constitute the orthodoxy at both the analytical and policy levels for Western scholars, political leaders, officials and corporate managers dealing with the Third World.

Unlike the rest of this book, therefore, which is more specifically Southeast Asian oriented, this introduction is essentially a macro-theoretical analysis of these competing theories as they have evolved over the past twenty years or so and as they are applicable, explicitly or implicitly, to Southeast Asia. It constitutes the thematic framework of a book in which each of the chapters seeks to consider specific issues or questions in the context of one or more aspects of the broader theoretical debate. This chapter is divided into two main sections, both of which adopt a common methodology. In the first section we review the nature of both orthodox and radical thinking on development as they evolved up to about the end of the 1970s. In the second section we address ourselves to the contemporary situation as we examine the current orthodoxy as it pertains to development policy in the Third World in general, but Southeast Asia in particular, and then proceed to provide what we feel is a sustained and logically argued critique of this orthodoxy.

2 Theories of development and underdevelopment: a review

The first stage of orthodoxy: modernisation theory and growth theory

Modernisation theory and growth theory are not simply intellectual constructs transformed by a process of scholarly debate. They are also an explanation and a description of policies and processes which have accompanied intervention by the industrial West in the Third World. Consequently, modernisation theory and growth theory must be regarded as both the ideology and strategy of capitalism in the Third World, addressing themselves to concrete as well as intellectual problems. It could be argued that modernisation and growth theory have actually followed and described the capitalist penetration of the Third World, presenting as theory what was already a concrete reality.

Much has been written about the early modernisation theory of political and social change, and it is our intention here to outline only some of its major characteristics and some of the most significant critiques which have confronted it.3 Central to early modernisation theory was the notion of a dichotomy between traditional and modern societies, conceptualised in essentially Weberian terms. Traditional societies were defined as being pre-
state, pre-rational and pre-industrial. Most Third World societies were seen as exhibiting pattern variables which approximated to the traditional ideal type. In the optimistic period of the 1950s, modernisation theorists believed that for development to take place, it was merely necessary to bridge the gap between tradition and modernity through the acquisition of the appropriate modern pattern variables. Further, it was felt that such a process was primarily a technical one in which problems could be overcome on the basis of guidance and diffusion from the advanced industrial societies of the West. As such, modernisation was seen essentially as a unilinear and inevitable process.

There are a variety of explanations for what appears to have been a naive belief in the inevitability of the process of modernisation that prevailed in this first phase. Paramount is the influence on modernisation of what has been referred to variously as the ‘American Liberal Ideology’, or the ‘ideology of developmentalism’.

As Packenham has pointed out, this social and cultural orthodoxy was based on four central tenets: change and development are easy; all good things, such as economic growth and democracy, go together; radicalism and revolution are bad; and distributing power (pluralism) is more important than centralising power. From such an intellectual heritage was derived the belief of modernisation theorists in the role of diffusion as the motor for bridging the gap between tradition and modernity.

The optimism of the first phase, especially the belief in the modernising capabilities of diffusion, be it the diffusion of capital and technology as advocated by economists such as Rostow, Hoselitz, Higgins et al., the diffusion of cultural values advocated by sociologists such as Daniel Lerner, or the diffusion of Western political values advocated in the literature of the Committee on Comparative Politics of the Social Science Research Council was, however, to be shortlived.

A crisis in modernisation theory emerged as it became increasingly apparent that economic, social and political conditions on the ground in the Third World did not approximate to the expectations generated by the models emanating from Western (primarily North American) universities. Quite clearly, the process of diffusion was producing neither economic take-off nor flourishing indigenous bourgeoisies and, most glaringly, political systems were becoming increasingly authoritarian rather than democratic.

Whilst some modernisation theorists soldiered on bravely, ignoring economic, social and political realities, the majority turned their energies towards explaining the failures. Scholars of political change in Southeast Asia tended, for example, to adopt a behavioural approach and laid the blame at the feet of resurgent traditional culture, victorious over the new, secular, modernising culture. Such a reaction provided neither an intellectual way out of the problem nor a solution for policy-makers. A major reassessment of modernisation theory was required, and it came in the middle of the 1960s.

The second stage of orthodoxy: economic growth, political order and public policy

The conservative reassessment of modernisation theory, previously outlined, questioned the basic assumptions that the process of economic and political modernisation in the Third World would necessarily and specifically reproduce the industrial capitalism or the liberal democracies of the industrial West. During the 1950s and early 1960s modernisation theory outlined development not only as a process but also as a set of ends or achievements. These specific end products were, however, put aside in the second half of the 1960s as development came increasingly to be regarded almost exclusively as a process. The major implications of such a shift in epistemological orientation meant that economic development came to be measured in terms of growth rather than in terms of the reproduction of the specific forms of Western industrial capitalism. Similarly, political development came to be viewed as a process of creating political institutions able to solve specific problems pertaining to stability and regime maintenance rather than the reproduction of democracy. Indeed, it came to be argued that strong government was a prerequisite of economic growth. This shift in political analysis was made necessary by the widespread collapse of the liberal democratic form within the Third World and its replacement by authoritarian regimes. In addition, Western policy-makers found themselves entering increasingly into partnership with such regimes as, for example, those of Goulart in Brazil, Mobutu in Zaire and, more relevantly for this book, Thieu, Suharto, Marcos and Lon Nol in the Asian region, in order to maintain their influential economic and political positions.

While modernisation theorists may have been concerned to achieve the diffusion of the values of ‘modernity’—particularly liberalism—such obligations were never as important for policymakers. They had quickly come to the conclusion that it was just as often strategically and politically necessary to underpin authoritarian regimes as to defend liberal democracies. This situation was illustrated in Southeast Asia as early as 1947–8 by US support for the avowedly authoritarian military government of Thailand led by
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Marshal Phibun who, a few years previously, as an ally of the Japanese, had declared war on the US and Great Britain. Western support for Diem in South Vietnam and Roxas in the Philippines should be viewed in a similar light.

These political realities were mirrored at the theoretical level in the shift, outlined by Donal Cruise O'Brien, from liberal to conservative dominance within the mainstream of academic development studies. Of particular importance was the downgrading of emphasis by political scientists of the establishment and preservation of liberal democratic political institutions in the Third World, and an upgrading of the importance attached to the preservation of order. This shift was epitomised in the influential work of Samuel Huntington.

Writing in the second half of the 1960s, Huntington challenged the prevailing idea of the unilinearity of modernisation theory and its minimising of the dislocations that arise out of the process of modernisation. Defining political stability in the normative sense as the absence of open conflict, he saw political development as the growth of institutions competent to deal with the strains of social mobilisation and political participation. Similarly, Ithiel de Sola Pool in a widely used quotation also epitomises this order-based literature:

it is clear that order depends on somehow compelling newly mobilized strata to return to a measure of passivity and defeatism from which they have been aroused by the process of modernization. At least temporarily, the maintenance of order requires a lowering of newly acquired expectations and levels of political activity.

Under this new formulation political development came to be seen as a political system's ability to cope with the array of 'crises' it was likely to face. Governmental capacity referred specifically to governing 'elites' and crises were seen therefore from the perspective of threats to the position of those elites for the maintenance of order. In its desire to safeguard the position of ruling elites, the literature of political development had supported a view of order as the end not the means to good society. In so doing, modernisation theory deemed it unimportant to measure the costs involved in the preservation of order.

Theories of political order were, and indeed still are, extremely attractive at an ideological level to authoritarian regimes. In Indonesia, the New Order regime of President Suharto developed an extensive rationale for its increasingly authoritarian form of rule by blending political order theory with modernisation theories of economic development. Essentially, New Order ideologues argue that an extended period of authoritarian rule is necessary to implement development programmes in the volatile period of economic transformation. More importantly, it is argued that development policies are matters of scientific knowledge most appropriately devised and implemented by technocrats and soldiers. Open political competition is consequently dismissed as obsolete. A similar position was taken by various authoritarian regimes in Thailand from as early as 1851-8 to 1973 and again in 1976-7, and was proposed, to varying degrees, by the National Operations Council in Malaysia after the 1969 riots, and by President Marcos in the Philippines as a justification for martial law. The debts to the conservative reaction in North American political science and particularly to the end of ideology school, are obvious. This notion of authoritarian developmentalism or technocratic authoritarianism has become the ideology of Third World states wishing to equate authoritarian rule with economic development and scientific decision-making as opposed to the political chaos and economic stagnation typical of the first parliamentary governments of the Third World.

Perhaps we can recapitulate upon what we see as the two major steps in the intellectual development of modernisation theory. First, we see a stage wherein it was assumed that the process of diffusion of capital, technology, values and ideas from the industrial West to the Third World would replicate the historical experience of the Western democracies. Second, we see a stage wherein the process of social and economic change in the Third World was considered to produce a disintegrative interregnum which required strong, authoritarian rule to achieve political reintegration and economic development.

In contrast to the changes in political development theory, the basic thrust of developmentalist economic theory has remained fairly stable throughout this period of reconstitution. This is, in large part, due to the fact that the mainstream developmentalist economic assumptions were in reality an attempt to present as a prescriptive set of policies and as theoretical analysis the autonomous process of capital accumulation in the Third World. Given time, and political order as the essential prerequisite, it was felt that the implementation of appropriate economic development strategies would still be proven to be correct.

The increasing integration of growth and political order theory occurred in response to another aspect of the frailty of modernisation theory. Not only was it weak at an analytic-prescriptive level, it was also largely policy-irrelevant. As a form of grand theory, the
modernisation approach was not geared to dealing with policy questions. Consequently, the last decade has seen attempts to integrate the theoretical aspects of the political order concept with empirically-based public policy approaches to development. The concentration and centralisation of power and authority becomes a necessary factor in the modernisation process. The tasks of modernisation have become defined in terms of problem-solving and policy management rather than in terms of reproducing Western political and cultural forms. In this context, public policy theory is the logical consequence of the integration of political order theory and growth theory.

In large part, the increasing importance of policy-making is a consequence of the changing nature of Western economic involvement in the Third World. Since the mid-1960s, Western capital investment has changed from being almost exclusively concerned with mining and plantation crops to greater emphasis upon industrial investment and a greater involvement of international finance capital through agencies such as the International Monetary Fund (IMF), the World Bank, and such regional organisations as the African and Asian Development Banks. Over the past decade capital investment has not only become significantly larger in scale, but has also become more complex, requiring the provision of effective management of specific projects. Investment in agriculture, for example, is no longer simply a matter of plantation production; it involves huge sales of pesticides, fertilisers, machinery and the provision of credit by international corporations and financial institutions. Governments are required to provide the legislative means, the infrastructure and the political apparatus to deal with the massive social restructuring which follows in the wake of such projects as the Green Revolution.

Similarly, the governments of industrial economies and the administrators of the international finance agencies are able to make broader demands on fiscal policies of Third World states through their control of finance for both long-term government borrowings and specific projects. In the Southeast Asian context, for example, the Indonesian Government, throughout the mid-1960s, conducted negotiations with major creditor nations through the Intergovernmental Group on Indonesia. The result was a package, fairly universal throughout the Third World, which saw the rescheduling of existing debts and, in return, the implementation by the Indonesian Government of policies designed to encourage foreign capital investment, currency stabilisation and a reduced role for the public sector. In Thailand, the redirection of economic strategy in the late 1950s and early 1960s under Sarit, was closely attuned to IRBD reports and recommendations that Thailand abandon policies of economic nationalism which favoured state enterprise and state-led development for policies advantageous to private and foreign investment as the generator of economic growth.27

An important feature of the public policy approach is that it is often seen as synonymous with 'state activity',28 and for most analysts of the Third World nowadays, the role of the state in the developmental process is deemed to be pivotal. This emphasis on the state, and the institutions of government, stands in marked contrast to the first phase of modernisation theory which emphasised the centrality of the political system and its socio-psychological environment rather than specific processes and policy outputs.29 Put another way, the policy approach represents a shift of emphasis from the system within which politics operates to the strategy of and for political activity.30

These general changes have specific relevance for the analysis, and practice, of politics in the Third World. Public policy-making is primarily a problem-solving and management activity but within the specifically limited confines of regime maintenance. Gone is the naive optimism of the 1950s and 1960s. The basic problems to which policy-makers now address themselves are not of the grand 'how does development come about?' variety but rather questions like 'how can Third World states, under existing circumstances, with existing decision-makers, obtain some kind of optimum deal for their states?'31 In such a context the degree of government not the form of government is the key distinction in deciding whether policy will be implemented or not.32 Political order theorists, such as Huntington, emphasising the level of institutionalisation, had the opportunity to see the implementation of policies based on their theories during the period of US involvement in Vietnam. Urbanisation and centralisation of political authority was urged (forced) on South Vietnamese society in the belief that such a government, with its US backers of course, could control the population in the long term given that it was denying power to the revolutionaries whose support was in the countryside.33

In similar vein it is worth noting that the recent policy-oriented literature takes little account of the need for radical political reform. Rather, echoing the order theory of the likes of Huntington, Weiner, Pool et al., it argues for a return to passivity and moderate (low) rates of social and economic progress as necessary prerequisites for order and elite maintenance. One author has argued, for example, that it is necessary to devise policy-making systems for Third World states that do not threaten the security of existing regimes and that do not promise only long-term benefits.34 Such an emphasis, of
course, has the effect of institutionalising the position of the group that occupies the major decision-making roles in the community on behalf of their own and external interests. These generalised notions about the nature of political development in what we may call orthodox political science have quite clearly manifested themselves at the policy level in Southeast Asia over the last decade or so. Particularly noticeable has been the emphasis on order and regime maintenance in Indonesia from the mid-1960s, Malaysia in 1969, Thailand from 1958 to 1973 and again in 1976-7, and the Philippines in 1972.

At a general level the preceding discussion represents an overview of the approach to economic, political and social change located within the modernisation framework in the post-World War II period. Most analysis of Southeast Asia in this period is firmly located within this intellectual tradition and should perhaps be considered in more detailed fashion at this stage. For purposes of clarity, and following the process of their actual separation within the corpus of modernisation theory, theories of economic and political development will be considered as discrete entities.

Economic development theory and Southeast Asia

Whilst theories of political development have undergone important changes as a result of theoretical debate amongst political scientists, the approach to economic development has, until the last decade, been largely unencumbered by problems of theoretical disputation. The dominant orthodoxy has been that of growth theory, first proposed by W. Arthur Lewis in the 1950s and pursued by such economists as Gerald Meier, H. Myint and P.T. Bauer. This is not, of course, to suggest that there is a uniform view of how growth is best achieved. One needs, for example, to distinguish between those development economists such as Bauer, who emphasises the primacy of market forces, and those such as Lewis and Seers, who have adopted an essentially Keynesian approach, built on Harrod models, to development economics. Growth theory operates on the (generally unstated) assumption that economic growth will spontaneously generate a reproduction of the historical experiences of the industrial West. Further, capital formation and corporate structures necessary for growth can best be provided by the already developed Western economies. Hence the primary concern of economists has been to devise policies most able to implement growth. This is seen as a technical problem, involving management of monetary and fiscal policies, designed to maximise foreign capital investment, foreign exchange earnings and productivity. In other words, economic growth theorists were essentially concerned with fine-tuning the existing process of capital accumulation.

Until the late 1960s, the theoretical assumptions remained unchallenged, and the apparent failure of growth strategies to cope with problems of poverty and unemployment or to produce viable domestic industrial economies were ascribed to a variety of endogenous factors including the incompetence and corruption of the state bureaucracies and the intrusion of nationalist and socialist policies into what was supposedly a scientific and rational economic decision-making process. The period of Guided Economy in Indonesia from 1958-65, or that of Phibun in Thailand from 1948-57, were considered major examples of such interference. Indeed, Western economists have continued to express disquiet at any attempts by Southeast Asian governments, particularly in Indonesia, to subsidise and protect specific national economic interests. As we shall shortly suggest, the current enthusiasm amongst growth economists for Export-Oriented Industrialisation (EOI) is based upon what we feel is the fallacious belief that it is a process in harmony with market forces requiring no expensive state subsidies or controls, and fully exploits the Third World's national comparative advantage in low wage levels. Import Substitution Industrialisation (ISI) is justified only where it can compete without protection. (One may wonder what form the Japanese economy would now take if the Meiji oligarchs had been given, and taken, such advice.)

Here then we see most clearly the view of the mainstream of economists that economic policy-making can, and indeed should, be determined by objective economic criteria (amongst which market forces figure prominently) free from the interference of political interests. Social and political factors tend to be seen as temporary irritants. This view stands in sharp contrast to a political economy position which regards economic policy as one dimension of a broader political and social conflict. From the mid-1960s onwards, the intellectual assumptions of growth theory began to sustain challenges from both within and without. Growth economists, such as Heinz Arndt, became embroiled in debates with dependency theorists who argued that the economic policies which accord with the prescriptions of growth theory simply serve to enrich foreign capital investors and their local compradors whilst entrenching mass poverty and the broad structures of 'dependence' and 'under-development'. Arndt admits that there is an unfortunate economic necessity, at least in the early stages of growth, for trade-offs between development and equality as well as a tendency for strong political forces to seize a disproportionate share of wealth. In any case, Arndt argues that despite a possible decline in the relative position of the bottom 40 per cent of the population of Indonesia,
their absolute position has probably improved.41 His position reflects the general growth economics thesis that long-term increases in production and productivity are the only viable basis for the achievement of broader goals of social and economic welfare even though this generally involves an unfortunate concentration of wealth and power in the short term.42

Nevertheless, it is clear that at least some of the economists writing for the Bulletin of Indonesian Economic Studies (BIIES) were well aware that the spontaneous mechanisms of 'trickle down' and diffusion were faulty; that growth did not automatically lead to development in any wider social sense.43 It is also clear that several of the growth economists most prominent in the analysis of Indonesia have seriously considered policy initiatives that involve land reform, employment generating investment, appropriate technology and investment in Basic Needs.44 At the same time it is clear that the type of liberal reformist reaction to growth economics noted earlier did not take place amongst the economists who dealt with Indonesia. The type of theses embodied in the New International Economic Order (NIEO) or the Basic Needs approaches have not taken hold in any systematic or cohesive fashion.45

Growth economics in the case of those economists concerned with Southeast Asia turned not to liberal reformism but to the free market, small government ideology so popular with the supply-side economists of the major Western powers in the last few years. In terms of policy, the free market approach implied reduction of the role of government in the market place, the removal of protection and subsidy for costly and inefficient production and a process of structural adjustment to benefit from comparative advantage. This approach will receive closer treatment in section 3 of this chapter. At this stage it is simply sufficient to note that such policies are in stark contrast to those advocated in the growth with equity approaches. Peter McCawley, one of the most influential marketeers amongst the BIIES economists, indeed argues that government intervention in the Indonesian economy has largely served to enrich that small group of well-connected businessmen in the Import Substitution Industrialisation sector to the advantage of no one else. He is as a consequence a staunch advocate of the deregulation of the economy at the domestic level, but he has stopped short of a similar deregulation advocacy at the international level because of its likely impact on Indonesia's fragile infant manufacturing sector in the immediate future.46

In the long term, however, the dominant tendency in growth economics in Southeast Asia does not stop at national boundaries. Increasingly, growth economists - be they in universities, the World Bank or the policy branches of government - urge economic restructuring at both the global and the regional level. In terms of specific policy recommendations this means a concerted move into Export-Oriented Industrialisation47 - again a subject to receive greater treatment in section 3 of this chapter.

Political science and Southeast Asia

Although the ideological and theoretical assumptions of structural functionalism have underwritten the work of Southeast Asian political scientists, the most important feature of this political science has been the general emphasis upon the centrality of culture as the determining factor of power and conflict - rather than the systems approach developed by the Committee on Comparative Politics of the Social Science Research Council under the leadership of Gabriel Almond in the late 1950s and early 1960s.48 Nor has there been much emphasis upon political relationships between groups or classes. In the Thai case, for example, Wilson and Riggs decided that class analysis was inappropriate for the analysis of Thai political reality. They tended instead to fall back upon the concept of 'loosely structured' society to explain a polity they saw as being based upon personal and inter-elite rivalry whilst a small group of politically active individuals who stood apart from the vast mass of apolitical, harmony-seeking individuals who comprise Thai society.49 In somewhat similar vein in Indonesia, Wilner, Jackson, Emmerson and Liddle all view politics largely in terms of a personal client-patron relationship structured by the psychological or cultural attachments of individuals.50 In the case of the Philippines, Lande also provides a picture of political relationships dominated by the mutual needs of patrons and clients.51 His approach explains patron-client networks in terms of political and economic needs rather than cultural or psychological attachments but nevertheless emphasises politics as a process of the integration of individuals rather than the conflict of groups. Within such a methodological framework the study of politics becomes a study of attempts by factions and cliques to maintain power and to divide the spoils of office, minimising socioeconomic aspects of political identity and conflict.

As the science of the struggle of 'elites' to maintain power, secure spoils and structure support on the basis of networks of individual loyalties, political science neglected the role of the state as a political institution interacting with a specific social and economic formation. It was, nevertheless, aware of the role of the elites, the bureaucracy and the 'government' as providers of both political and economic 'modernisation'. Failure to achieve Huntington's prescriptions for effective political organisation or to cope with economic problems...
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(usually as defined by growth economists) was generally ascribed, as we have mentioned, to the persistence of patrimonial political culture and forms within the elite. In this sense, the focus of political analysis, especially in Indonesia, turned upon the conflict between secular modernisers and patrimonial traditionalists. The policy implications of such a theoretical approach are twofold. First, they imply the reorganisation of bureaucratic structures to enable more effective political authority. Second, they suggest the cultural transformation of the ‘elite’, replacing patrimonial patrons and clients with ‘secular modernisers’ able to provide and implement scientific and objective public policies of social and economic development.

Certainly, there are political scientists who have recognised the importance of class conflict and economic structure in the general process of political structure and conflict. The problem is that structural-functionalism does not provide a theoretical basis for systematically achieving the integration of political and economic analysis. Yet while such deficiencies may have seen modernisation theory give ground to a variety of radical forms of analysis as the most useful descriptive models with which to look at the Third World in general, or Southeast Asia in particular, at a prescriptive level the major tenets of its public policy-oriented modifications would appear to have been adopted almost totally by its governments, as much of the evidence in this book would appear to suggest.

The radical alternative in development thinking and its relevance for Southeast Asia

The modifications that have taken place in modernisation theory over the last decade have occurred, as we have suggested, largely in isolation from what we might call the radical alternatives. These alternatives have been many and varied, ranging through liberal, structuralist, neo-Marxist and more orthodox Marxist. This pluralistic tendency of radical theory should of course warn us of the dangers inherent in discussing bodies of knowledge utilising shared terminologies as if they were a homogeneous school of thought. This warning is reinforced by the fact that many of the leaders of Southeast Asia, recognising that many aspects of radical theory seem descriptively superior to much modernisation theory, have been able to utilise radical rhetoric for their own political ends. This has been especially so in the international context, where these leaders have been able to bemoan the problems of ‘surplus extraction’, ‘imperialism’ and ‘dependency’ whilst at the same time maintaining domestic political and economic systems which owed much to the rhetoric and theories of growth economics and the political order theorists. It is in this context that the demands for a New International Economic Order must be seen. By blaming most of the ills of their countries on the egalitarian structures of international economic relations in existence outside of their national boundaries, governing Third World regimes are able to shed much of their responsibility for many of the problems that exist within their national boundaries. It is thus necessary to pick our way briefly through the various debates as they have emerged in radical theory and as they would appear relevant to the current political economy of Southeast Asia. For such purposes, there would appear to be three major phases of radical thought in need of examination here:

a) The historical evolution of dependency theory from its radical structuralist origins and the rekindling of and interest in older theories of imperialism.

b) The debate that has sprung up as a reaction to the increasingly populist appeal of the ‘development of underdevelopment’ conceptualisation of André Gunder Frank and his supporters.

c) The development in the late 1970s of the debate over the nature of class formation and the role of the state in development society, which has emanated from the perceived weaknesses of the dependency debate and which will be tackled in the last section of the chapter.

The discussion that follows introduces a variety of concepts in sequential fashion. It is not the intention to suggest that these concepts were not ‘known’ prior to their introduction, but rather that their introduction into the discussion is a chronological representation of their importance to the development debate at a particular point in time. For example, it is not until the end of this section that consideration is given to the role of class formation and the post-colonial state. This is not an oversight but a reflection of the way the debate was to develop throughout the 1970s.

The early development of radical development theory

As is now well known, the impetus for the development of dependency theory evolved out of the growing dissatisfaction with the role of the Economic Commission for Latin America (ECLA) and particularly with its failure, during the first UN development decade, to comprehend the growing problems of the 1960s. In 1963 Raul Prebisch outlined the essentials of what was to be known as a ‘structuralist’ position in economic development which rejected the
diffusionist capabilities of international trade, and the possibility of capital and technology transfer from the developed to the developing world. It was not, however, until the work of Gunder Frank began to appear in the mid-1960s that the structuralist position began to gain popular acceptance. It was Frank who initially articulated the view that the development studies of the 1950s and 1960s had been little more than an elaborate apology for neo-colonialism – particularly in its assertions that underdevelopment was an original condition predating capitalism and for which capitalism, therefore, could not be held responsible. Along with Paul Baran, Frank pioneered the view that the inherited productive structures of the Third World 'blocked' capitalist development. Adopting much of the structuralist perspective, Frank formulated his own ideas into the 'development of underdevelopment' hypothesis. Looking at Latin America, Frank, and his contemporaries, argued that while it may have been undeveloped before Western penetration, it only became underdeveloped after incorporation into the international capitalist system. Development and underdevelopment were seen as linked in a causal relationship in which the advanced industrial West was able to develop primarily because it was underdeveloping the Third World. The basic point about the type of dependence outlined by such theorists is that it is dependent development or underdevelopment, not interdependent development. Dependent development is a by-product of the expansion of dominant nations and tied to the needs of the dominant economy as opposed to the needs of the dependent economy. Frank's predominant image was that of the metropole-satellite relationship in which the satellite was kept dependent by a sucking out of economic surplus to the metropole. Such a description is in many ways a caricature of Frank's work but it is at the heart of much early dependency theory.

Thus, boldly stated, was the essence of dependency theory as it stood in the first half of the 1970s. While it never achieved the paradigmatic status that some observers have suggested, it did have an influence on development thinking sufficient to make both Marxists and modernisation theorists keen to refute its essence. The popular and populist nature of the development of underdevelopment hypothesis, especially its identification of capitalism as the cause of underdevelopment, forced both schools to respond to a theory that contradicted the teleological and unilinear assumptions they both shared. The outcome of this process, somewhat ironically, has been the emergence of some kind of consensus in development studies greater than at any other time since the heady days of early modernisation theory. The critiques of dependency theory that have emerged, from both the left and the right, are in fact quite similar in empirical substance – if not in normative assumptions.

If we consider orthodox critiques first, our starting point must be their attack on the vagueness and generality of the development of underdevelopment hypothesis. While the near universality of Frank's metropole-satellite dichotomy was one of the major attractions, it was also its major weakness. In descriptive terms it differed little from modernisation theory's tradition-modernity dichotomy. Consequently, dependency theory was as difficult to refute at the macro-level, or apply at the micro-level, as in fact modernisation theory. The orthodox critique went on to argue the ambiguity of the distinctions between dependency and inter-dependence. No country, it was contested, was autarchic. Developed as well as underdeveloped states have a high reliance on foreign trade, investment and technology, etc. Dependency must, therefore, be seen as a sliding scale from rich, capitalist states at one end of the scale to poor, small, underdeveloped states at the other. Dependent growth is not unique to the Third World and must be seen as an essential feature of capitalist growth in general. What we have seen from modernisation theorists of late has been an attempt to harness an international political economy, operating in a liberal mould and stressing transnationalism and interdependence as the exogenous variable for a revamped modernisation theory. It was generally argued that those states receptive to integration into the existing economic order were the ones undergoing the most rapid rates of economic growth.

Beyond the sociology of underdevelopment

If conventional critiques were an attempt to draw back from dependency theory then recent developments in radical theory must be seen as an attempt to go beyond the initial dependency conceptualisation. There would appear to be two related, but nevertheless identifiable, streams in this movement. First, attempts to modify and refine, but not reject in essence, early Latin American dependency theory's emphasis on the inequality of exchange relationships between the First and Third World – what we may call 'circulationism'. Second, a theoretical rejection of circulation for a stress on the importance of historical materialism and modes of production – which we may call 'productionism'. Both approaches, however, are based on a series of general criticisms of dependency theory that became popular in the second half of the 1970s.

The most important criticism related to the inadequacies of dependency theory's conception of capitalism. Frank, for example, was unable to distinguish adequately between different modes of production, leading him to the conclusion that any production for a
market meant the existence of capitalism. As Laclau pointed out, the existence of capital and a market did not define a capitalist mode of production. This theoretical critique was later expanded by Bill Warren. He argued that the assertion that capitalism caused underdevelopment was logical nonsense since this seemed to deny the possibility of development taking place along capitalist lines in the Third World at all.

Warren extended this criticism empirically. By aggregating data he suggested that \textit{per capita} growth rates in the Third World had in fact outstripped population growth. Furthermore, and in contrast to the view of many a dependency theorist, not all of this had been growth without development and that capitalist development had taken place under the influence of imperialism. Significantly, Warren emphasised that industrialisation (his yardstick for development) was advancing at a much greater rate in areas of the Third World than many dependency theorists were prepared to concede. As such, Warren was undermining the metropolis-satellite conceptualisation so central to dependency theory.

Quite clearly the industrialisation of many Third World countries posed problems to dependency theorists. Nevertheless, they attempted to incorporate this development into their theoretical framework in a way that did not appear to contradict their notion of underdevelopment as the consequence of surplus extraction. Cardoso’s notion of Associated Dependent Development is the best example of the dependency adjustment to the fact of Third World industrialisation. Essentially, he argues that dependence and surplus extraction is not expressed solely through the export of primary products and the import of manufactures but within the very structure of a manufacturing industry dependent on Western technology and forced to import the means of production.

At the same time the ‘development of underdevelopment’ hypothesis has been criticised for its insistence that underdevelopment is a capitalist phenomenon. Numerous studies have indicated that pre-colonial modes of production were not always completely destroyed by capitalist penetration. Indeed, in some areas, colonial policy effectively built upon pre-capitalist structures. Such a situation is relevant for Southeast Asia where dependency theorists have placed much emphasis on colonialism at the expense of an analysis of indigenous social, cultural, economic and political factors in inducing change. This relationship between colonial and indigenous structures has been illustrated in the relationship between commercial plantation agriculture and pre-capitalist village society during the colonial transformation of Indonesia.

Despite criticisms of the inegalitarian nature of the type of development Warren identified, both he and Laclau underlined the notion evident in dependency theory that formal political independence made little or no difference to the development process in the Third World. Some Third World states have clearly demonstrated a capacity for sustained growth and a consequent improvement in their structural position in the international economy.

For our purposes, it matters little that such Third World industrialisation was largely isolated to urban areas, lopsided and extremely uneven in respect to those who were its beneficiaries. More important is that an acceptance, or rather recognition, of the existence of a group of semi-peripheral states has necessitated some distinction between that group of states where some kind of national system of economic power was being built and those states where capitalist penetration and consequent industrialisation had been much less influential. Such a distinction, as we shall see, is particularly relevant to the Southeast Asian context.

To review briefly our discussion to this stage, radical critiques of dependency theory to the mid-1970s revolved around the supposed ability, or otherwise, of capitalism to generate capitalist growth at the periphery. Dependency theorists emphasised economic stagnation at the periphery and the extraction of surplus from the Third World – particularly important were the perceived mechanisms of surplus extraction: trade, aid, finance and investment controls, profit repatriation, debt servicing, etc. Marxists, on the other hand, came to express a contradictory point of view. In mounting a challenge to dependency theorists they joined with more orthodox theorists to question the reliability of a development of underdeveloped hypothesis in the works of Arghiri Emmanuel, Immanuel Wallerstein and Samir Amin. At the risk of oversimplification they, like most dependency theorists, see an outflow of capital – a sucking out of surplus – from the periphery to the centre, but they explain this as a complex process of ‘unequal exchange’, a considerably more sophisticated device than the earlier conceptions of dependency theory had envisaged.

Like Warren, they have played an important role in outlining the alternative varieties of development possible in the periphery. Wallerstein, for example, outlines the rise of semi-peripheral states which occupy an intermediary position between the ubiquitous core and periphery of the early 1970s, and Amin recognises the possible variety of modes of production that can exist at the periphery. For Amin, the capitalist world system is a combination of capitalist (in its pure form at the centre) and non-capitalist modes of production (in albeit distorted form) which are combined at the periphery in a
variety of social formations. It is instructive here to compare the
detail Amin provides on the uniqueness of peripheral social
formations in Unequal Development with Frank’s early rudimentary
distinction between metropolis and satellite. This spatial distinction
in their work can also be contrasted with a comparable temporal
distinction. Amin, along with Wallerstein, has also been at the
forefront of that group of radical scholars who see the need to
‘periodise’ the stages of capitalism – unlike Frankian analysis which
envisioned only feudalism and capitalism.67

The importance of this more refined analysis has been that it has
focused attention on a situation in which stratification in the Third
World is undergoing a stretching out process and thereby necessi-
tating an analytical distinction between types of Third World states
as opposed to looking for similarities conducive to building universal
theory. The latter approach has characterised development studies
in all but the last few years. The former, we feel, will characterise
the next few years. But to understand the nature of what we might
call ‘dependent development’ we do of course need a much better
understanding of the ‘production’ aspects of Third World states, as
opposed to the ‘circulation’ aspects which tend to be the focal point
of much dependency theory.68 Indeed we have, of late, seen a much
greater emphasis in the analytical literature on the importance of
understanding the way in which capitalist and non-capitalist modes
of production ‘articulate’ at the periphery. In contrast to the early
work of dependency theorists, we now accept that elements of
capitalist and non-capitalist modes can exist side by side in the
periphery, and that the penetration of capitalism does not
immediately eradicate pre-capitalist forms. The process of trans-
formation of pre-capitalist modes is often a drawn out and fitful
process which may, for example, simply begin with the penetration
of exchange relationships. In the long haul to the full establish-
ment of capitalist relations of production, pre-capitalist social and
political structures may indeed persist and interact with capitalist structures.
We would stress, however, that it is not our intention to suggest the
permanent dual existence of capitalist and non-capitalist modes. The
capitalist mode, we would argue, will inevitably achieve dominance
in the long run.

In accepting such views we should not, as has happened often in
development studies in the past, throw out the baby with the bath
water. It is important to incorporate analyses of global exchange
relationships into the reformulated theory of imperialism which has
emanated from the macro-analytical approaches of dependency
theory and world systems theory. The tendency to swing from macro-
analytical circulation theory to micro-analytical production theory
has to be avoided at all costs.69 We must certainly avoid relegating
the influence of foreign or international capital, foreign political
power and international exchange relationships to a position of
insignificance, as, for example, Warren does in a bout of overreaction
typical of development thinking.70 The development of forces and
relations of production in both industrial capitalist and partly-
industrial, partly-capitalist societies constitutes the basis for the
logic which underlies the global division of labour. The capacity of
transnational corporate entities to locate and relocate capital and to
plan accumulation on a global scale is crucial for individual
peripheral social formations. The decisions to invest or not to invest,
to invest in industry or agriculture, are not only determined by
specific social and economic structures of the peripheral society but
by political or strategic factors or by developments in the accumula-
tion process within the industrial ‘centres’.

Dependency theory embodies very specific implications for policy.
At both a methodological and an ideological level, it undermined
the assumptions of modernisation theory and highlighted the uneven
nature of the development of capitalism on a global scale. For
dependency theorists the logical solution to the problems of
underdevelopment came to be seen as the eradication of capitalism
as a world system of unequal exchange relations. The battle lines for
the eradication of this system were, therefore, to be between world
capitalism as the oppressor and the Third World as the oppressed.
While theorists like Amin and Frank saw socialism and/or autarchic
development as the solution to dependency, the ideological element
of dependency theory has had quite specific implications at the policy
level in Southeast Asia, and indeed in the Third World generally.
Dependency theory’s identification of exogenous factors, particularly
an inequitable economic system, as the major problem facing
developing countries has led to great stress being placed on designs
for a New International Economic Order. Ironically, such designs are
often championed by authoritarian regimes militantly opposed to
socialism. It is not our intention to question the importance of such a
policy initiative but rather to point to the effect it has on minimising
endogenous issues, particularly with regard to the nature of stratifica-
tion and the distribution of power within states. In short,
dependency theory, by the very nature of its concerns, precludes any
meaningful analysis of such issues within Third World states. For
dependency theory and world systems theory, with their emphasis on
unequal exchange relations between a core and a periphery, social
classes have tended to become synonymous with geographical
entities and problems of inequality and deprivation, thus making the
prospect of any useful class analysis extremely unlikely. It was only
with the appearance of productionist critiques of dependency theory and specific critiques of the banality of dependency theory’s class categories that it became possible to perceive a system of class relationships more complex than that of a dependent Third World bourgeoisie in a comprador relationship with international capital as conceptualised by dependency theorists.

Dependency theory’s impact on Southeast Asian studies and politics was brief but influential, and we can perhaps best illustrate this impact by a discussion of its application in a particular context. In 1973 Rex Mortimer’s edited volume on Indonesia entitled *Showcase State* was published. This book was a frontal attack on growth theorists and political scientists who had dominated the study of Southeast Asia in the post-war period. The harnessing of dependency theory to the study of Indonesia provided a basis for intellectual and political attacks on hitherto sacred cows such as transnational corporate capital, international finance capital (IMF, World Bank) and the domestic ruling groups. Until the early 1970s this three-way, politico-economic alliance, propped up by modernisation and economic growth theory, had been portrayed as ‘modernisers’ and ‘dynamisers’. With the advent of dependency theory there now existed at least a basis for criticism of such regimes as Suharto’s – as agents of the underdevelopment process and foreign economic interest and appropriators of the wealth generated by economic activity within Southeast Asia.

Transnational corporate and finance capital came under particular scrutiny. Whereas modernisation theorists had looked at foreign capital in terms of the infusion of the capital and technological bases for development, critics argued that foreign capital was creating massive external debts for Southeast Asian countries, sucking out surplus capital, providing little employment, effecting little technology transfer, monopolising economic decision-making and extending foreign ownership of the productive forces. At the same time, domestic ruling groups, whose economic and political alliances with foreign capital and whose corruption, conspicuous wealth and authoritarian rule had previously been justified on the grounds of the necessary concentration of power and wealth in the initial stages of growth, could now be criticised as compradors.

Dependency theory, or selected elements of it, became a very potent political and ideological weapon for a whole host of political groups. Its value lay in its clear, if somewhat populist, identification of an enemy – foreign capital and their domestic compradors. Such a critique was useful to those social forces shoulder ed aside by the alliance of domestic military regimes and foreign capital in Indonesia, for example, the disintegrating Muslim petty bourgeoisie believed the crucial cause of their difficulties to be the collusion of the New Order with foreign capital and Chinese business, and the utilisation of state policy in the furnishing of this alliance. A similar response came also from those sections of the middle classes excluded politically from the centres of wealth and power who were anxious to press their case for selective protection and subsidy by the state. This was made especially clear in the events of 1972-3 in Thailand. Various middle-class opposition groups came together to attack the role of foreign capital in bolstering a repressive political regime. Such a view proved to be politically potent, and in 1973 the middle-class alliance was able to bring down the military dictatorship.

As an intellectual basis for political and economic analysis, however, the fatal flaws of dependency theory had been revealed almost as soon as it was being applied to the study of the region. Amongst students of Southeast Asia, dependency theory remained a central influence for only a few years in the early to mid-1970s. By this time, critiques of dependency theory by both productionist and circulationist schools had taken root. Indeed, the pure circulationist form of the Frankian dependency school never really established itself in Southeast Asian studies as it did in Latin American studies and briefly in African studies. Class struggle continued to be a major focus for radical analysis. By the mid-1970s in Southeast Asia it was clear that industrialisation of various sorts and to varying degrees was taking place, that indigenous bourgeoisies were emerging and were both integrating with the confronting foreign capital. It was also clear that all Southeast Asian social formations could not be understood in simple terms of dependence. For example, little could be understood of the nature of the political or ruling classes if they were categorised simply as comprador. The political predominance of the military in Indonesia and Thailand and of landed families in the Philippines could only be explained by reference to the processes of social and economic transformation specific to each country – in particular the development of the Hacienda in the Philippines as a major unit of agricultural production compared with variations of articulation between landlord/tenancy farming and something akin to the model of the Asiatic mode of production in central Thailand and Java.

3 The current phase: orthodox development strategy and the Marxist critique in the 1980s

In the first half of this chapter we reviewed the way in which
development thinking had emerged up until the last few years of the 1970s. In this second half, we wish to bring the picture up to date. Using a similar methodology to that adopted so far, we will examine what appears to be the predominant approach in policy-making circles – what we call the current orthodoxy – and then proceed to what we feel is the necessary critique of these prevailing approaches.

Export-Oriented Industrialisation, structural adjustment and the corporate state

To recapitulate, thinking on economic development passed from its growth-oriented phase of the late 1950s and 1960s into a period of self-doubt in the early 1970s. The upshot of this self-doubt, brought about by the failure of Third World societies to ‘take off’ and the failure of a ‘trickledown’ of benefits to the poor to occur, was a move towards Redistribution with Growth and Basic Needs strategies – initially articulated by the then chairman of the World Bank, Robert McNamara, in 1973. By a process of deliberate intervention into the policy process, these strategies, it was felt, would direct attention to the needs of the poorest sections of society. Of course Basic Needs strategies were to some extent, although not exclusively so, counter-strategies to the increasingly vociferous call from the Third World for a New International Economic Order. Whilst there is evidence to suggest that Basic Needs strategies were taken seriously in some quarters, their life span has in fact been quite short. The passing of Basic Needs, and interestingly its major supporters at the World Bank, is not of itself a major event. It is, however, symptomatic of the decline in policy circles of what we might call the ‘social democratic’ perspective or international welfare state approach to development. More important for the purposes of our current analysis are the policy prescriptions that attend on these new strategies. The policy approaches of the World Bank discussed in the following section, whilst of interest in their own right, take on greater significance when it is acknowledged that they have considerable influence on the policy-making groups of Southeast Asia – as we shall endeavour to demonstrate in subsequent chapters of this book.

In sharp contrast to the Basic Needs strategy of the latter part of the 1970s, the 1980s have seen ‘the goddess of growth . . . [returned] . . . to her pedestal’. In the context of development and practice two specific aspects of contemporary theory are of particular currency in the early 1980s and in need of some discussion. The two issues are the growing, indeed predominant, influence of Export-Oriented Industrialisation strategies and the kinds of structural adjustment policies required to bring them about. In addition we also need to consider the kinds of political arrangements which seem to be developing to organise the socio-political environment in which these strategies can be pursued.

The increasing advocacy of EOI has to be seen in the context of the declining importance of Import Substitution Industrialisation. ISI failed to facilitate the kinds of beneficial changes in the trade patterns of developing countries that were envisaged in the first instance. Also, and probably more importantly, it was rejected because of the limits on production that inevitably accompanied a policy geared almost exclusively to serving the needs of local markets in the Third World countries.

At the risk of digression it is important, we feel, to understand the changes that have come about in the intellectual climate in which development strategy is planned. It is no coincidence that ISI strategies became popular during a period when there was a questioning of the previously unquestioned benefits of Third World participation in international trade. We pointed out in an earlier section the initial influence of the radical structuralists of the ECLA and subsequent theorists of varieties of ‘unequal change’. The acceptance of such assumptions does of course lead to policies geared towards self-reliance or at least withdrawal, to the best of a state’s ability, from reliance on the international market for manufactured goods. Such was the basic mood of pessimism in the wake of the failures of development ‘take-off’ in the first UN development decade. It was in this period that notions of unequal exchange, or more generally the asymmetry of dealing between the developed and the developing world, held brief sway in the development community. We have, however, seen the intellectual climate change somewhat over the last few years. Particularly important has been the reversal in fortunes of the notion of ‘comparative advantage’ amongst students of international trade. The ‘miracle of the NICs (Newly Industrialising Countries)’ has allowed growth theorists to argue the benefits of incorporation into the world’s economy – or from a different perspective, Marxists to argue that imperialism can cause capitalist development. As the popular Marxist anecdote would have it ‘if there is one thing worse than being exploited by international capital in the Third World, it is not being exploited by international capital!’ It is in this changing intellectual climate that the growing popularity of EOI strategies needs to be understood. Export-led growth or growth through trade is clearly the orthodoxy in development thinking in the first half of the 1980s.

The way such strategies are to be brought about is through the implementation of structural adjustment policies. Adjustment is
basically a codeword for a variety of overlapping and long-term actions such as practising fiscal 'responsibility', controlling inflation, controlling the money supply, 'pricing reform' (a euphemism for devaluation), having a reasonable balance of payments ratio, or to paraphrase the World Bank - restoring the external accounts of developing countries. There are, of course, other aspects of an adjustment package, especially diminishing the role of parastatals and encouraging the private sector, as well as the introduction of a variety of austerity measures geared to cutting down public sector expenditure.\textsuperscript{81}

The economic philosophy underpinning structural adjustment is probably 'supply side' whereas the Basic Needs approach of the previous decade was 'demand side' - or consumption-oriented. To take the argument one stage further structural adjustment means, in the words of Beka Balassa, an economist closely associated with recent World Bank policy:

[that] growth objectives will need to be given greater weight as compared to income distributional objectives ... further] policies to alleviate poverty should give emphasis to measures that raise the productivity of the poor rather than increase consumption through the provision of public services or government subsidies.\textsuperscript{82}

In simple terms structural adjustment is really about developing countries 'putting their economic houses in order' in a manner similar to the desire which seems to preoccupy many Western governments in the 1980s. The rationale for such adjustment is its supposed facilitation of export-led growth.

In the 1981 World Development Report, the World Bank points to several countries that are model proponents of these policies and which have thus benefited accordingly. Of middle-income countries, South Korea is the one above all, though not the only one, that has achieved 'spectacular results through export-led growth'.\textsuperscript{83} Of the primary producing nations with agriculturally based economies, Ivory Coast and Thailand are prime examples of a fairly successful process of a diversification of exports to earn foreign exchange for investment in the development of manufacturing industries.\textsuperscript{84} In general terms, 'outward'-oriented economies are applauded by the World Bank for having been the most successful of the last decade in responding to dislocations such as those caused by rapid increases in the cost of energy. Consequently, the World Bank's Policy Lessons for the 1980s are geared towards adjustment for outward-oriented strategies. As such, the World Bank loan policy is undergoing a considerable change from the second half of the 1970s. Much less emphasis will be given to project lending in the pursuit of Basic Needs. Instead 'Structural Adjustment Lending' will see funds 'applied toward productive investments which enhance the country's capacity to produce exports and curb imports. For this reason, the uses to which external finance are put required careful monitoring [our emphasis].\textsuperscript{85} In 1980 the Philippines, by way of brief example, received one of the World Bank's first Structural Adjustment Loans. This US$600 million loan was geared towards securing the 'reform' of the Philippine tariff structure in the form of an overall reduction from the average rate of 42 per cent in 1978 to 26 per cent in 1985 and the 'rehabilitation' of selected Philippines industries. It was aimed particularly at increasing international competitiveness through the improvement of managerial and technical assistance, the injection of capital and the establishment of trading corporations to improve export potential.\textsuperscript{86} Similarly, restrictive lending policies have also been applied in the Thai case.

If economic policy could be implemented in isolation from social and political concerns then nothing relating to structural adjustment policy discussed so far would seem exceptional. Such a situation is, however, not the case. There are several very evident social and political concerns which have to be confronted with the implementation of such policies. The first concern is the impact of such policies on Basic Needs. As even the World Bank is prepared to acknowledge, albeit obliquely, it is the 'human development programs which are obviously at risk at a time of budgetary stringency.'\textsuperscript{87} Structural adjustment's emphasis on productivity and growth takes funds away from those sectors of public spending which have no immediate returns but which were at the core of Basic Needs strategy. Education and health policy are two areas which have only an intangible relationship with productivity but which are high cost areas which offer instant prospects of 'savings' - especially salaries. All structural adjustment policies inevitably rein in on public sector spending - as the World Bank acknowledges: There is no reason to single out social programs for cuts during an adjustment period. In many cases, however, budgetary constraints will force cuts in spending, and a share of this burden will fall on human development programs.\textsuperscript{88}

Secondly, structural adjustment, given its primary emphasis on economic policies with an outward - or international - focus, takes very little account of its political implications at the domestic level, particularly the prospects for political instability emanating from the initial dislocations such policies can cause. Cuts in basic needs programs may be expected to create disaffections in the poorest sections of the community. Yet these cuts may not have as severe political consequences as those emanating from the more powerful
and articulate members of the political community who may be affected by these policies. For example, we have noted that structural adjustment entails a cutting back in public sector spending. Where this does not actually amount to retreatment in the public service in every case, it almost certainly means less rapid upward mobility and fewer avenues of potential employment in the state sector. Incorporation into the public sector as a traditional avenue of reward or patronage for a government is thus closed off. This can, and indeed often does, lead to disaffection with government policy in those educated sections of the community that are the usual beneficiaries of such spoils.

Thirdly, whilst structural adjustment policies may indeed benefit some industries, others are invariably affected in an adverse manner with a resulting increase in unrest in these quarters. The 1981 period in the Philippines, for example, has seen exactly such a process occur. There has been considerable opposition from those sectors of the economy accustomed to operating behind the high tariff walls but who have recently seen their protection reduced.98

The World Bank recognises the potential political difficulties facing Third World states implementing structural adjustment policies. As the World Development Report indicates: ‘policy reform is not easy . . . it is important to persist with the above policies in the face of possible short term setbacks’.99 To this end, Third World governments embarking on structural adjustment need to receive support, the World Bank suggests, especially of a financial nature: ‘without external borrowing, governments may avoid domestic reform for fear of precipitating internal unrest’.100

The Bank’s report does not, however, indicate the specific ways in which external lending may prevent potential unrest. There are, of course, a variety of issues that are important in this context but of particular concern, given the preceding discussion in earlier sections of this chapter, is the issue of the relationship between public policy implementation, order and regime maintenance. Export-Oriented Industrialisation and structural adjustment policies have important repercussions for the nature of political organisation required to ensure the implementation of such economic policies. To put it bluntly, there has to date tended to be strong correlation in the Third World between Export-Oriented Industrialisation, structural adjustment and what has been referred to variously as repressive developmentalism, bureaucratic-authoritarianism, neo-fascism, organic statism or, more generally, corporatism.101

The chapters in this book on the state in Indonesia, Singapore, Thailand and the Philippines are excellent discussions of this relationship between economic policy and the growth of this form of political organisation. The relationship can, of course, be overstated and all care should be taken not to do so. The important factor is not the existence of a one-to-one relationship between Export-Oriented Industrialisation and varieties of corporatist political organisation, rather the crucial issue is the strengthening of the corporatist form over the last decade or so. As was suggested earlier in this chapter, order and regime maintenance have flourished as policy priorities since the recognition of the frailty of Third World political institutions in the mid-1960s.102 Furthermore, it is not unreasonable to suggest that underlying the advocacy of Basic Needs policies during the 1970s was the belief that they would enhance the potential for political stability by forestalling demands for a much more radical kind of social reform from below. There is therefore a continuity with the previous periods that needs to be noted.

At the risk of overgeneralisation we might suggest that attraction of the corporatist form of government in some of the more rapidly developing countries of the Third World is its ability to accommodate, in fairly unfettered fashion, the market-oriented demands of growth theory on the one hand, and the demands for political order, elite security and regime maintenance on the other. In essence, corporatism is a system of politico-economic organisation in which ‘the state directs and controls predominantly privately owned businesses according to four principles: unit, order, nationalism and success’.103 In such a context, corporatism exhibits a tendency to overcontrol at the political level and undercontrol at the economic level. The aim is to provide a fairly unrestricted degree of freedom to a society’s entrepreneurial groups while providing strong control over the workforce – especially with regard to wage rates and union activity.

These controls are deemed essential if a Third World state is to capitalise on its few real assets of comparative advantage in the current international economic order – namely a cheap and plentiful supply of labour unfettered by such inconvenient factors as politically organised labour, environmental protection legislation, pollution controls or safety regulations. It is these factors, along with the removal of import restrictions, undervalued currencies and a variety of concessional incentives that attracts international capital to the developing countries, or some of them at least, to invest in ventures geared to producing low cost competitive exports. If Export-Oriented Industrialisation strategies are having the success in some Third World countries that their protagonists suggest they are, then it is only because those strategies are taking place in a political environment approximating to the one sketched out above. It is the necessity of this kind of political environment that ‘supply siders’ are all too ready to ignore.
There is one other important temporal dimension of the current complementarity of export-oriented growth strategies and corporatism that is worth mentioning here. As Richard Leaver demonstrates at some length in Chapter 5, different strategies are appropriate, or are at least deemed to be appropriate, to specific sets of international economic circumstances. Without pre-empting Leaver it is useful to note here that Import Substitution Industrialisation seemed appropriate as a 'defensive' strategy for Third World countries to adopt as a way of 'protecting' nascent industries against competition from developed countries in the 1960s and early 1970s. We are, however, now in a period which Leaver suggests is epitomised by the 'dedomiciling' of capital and in which ruling groups, by taking advantage of their countries' somewhat dubious comparative advantages, can profit by pursuing 'offensive' outward-oriented industrialisation strategies.

The preceding discussion is a fairly straightforward and largely uncontroversial account of what we might call the current orthodoxy—Export-Oriented Industrialisation strategies, carried out by the implementation of structural adjustment policies underpinned by the support of the growing, albeit unacknowledged, apparatus of the corporate state. Our review was necessarily brief but the chapters in this book on Thailand, Singapore, Indonesia and the Philippines provide explicit and well-documented discussions of the corporatist tendency in Third World state behaviour. Our brief in the remainder of this introductory chapter is to push further our general theoretical discussion by tackling some of the unanswered questions that are raised by the current orthodoxy, particularly as they have been addressed in some of the Marxist literature on development and underdevelopment.

Contemporary Marxist theory has, of late, had to deal with the growing predominance of this orthodoxy at the policy level on the one hand, and the influence of dependency theory at the rhetorical and populist level on the other. In so doing, we feel it has provided us with useful insights into two very important areas of concern that are ignored almost entirely by the current orthodoxy, or treated in simplistic and reductionist fashion by dependency theory. These two issue areas, the subjects of the final section of this chapter, are the nature of class formation in the Third World and the position of the Third World state in the wider international economic order.

The advocacy of EOI and structural adjustment policies by the World Bank has been discussed at some length and in largely narrative fashion since that, we suggest, is the very essence of their weaknesses—namely that they have been considered merely as 'strategies' developed in some kind of ideological and theoretical vacuum and then served up as alternatives to the less than successful ISI strategies of a previous era. Such an approach is both unsatisfactory at a theoretical level and disturbing at a policy level to the extent that such policies are being widely implemented in many parts of the Third World. Such strategies have not just been 'plucked out of the air' but rather they have emerged as part of the growth of a New International Division of Labour (NIDL) brought about by the dramatic structural changes in the world economy over the last decade. The 'miracle of the NICs'—the World Bank's model export-industrialising countries—has not come about simply because of the implementation of EOI strategies. Quite to the contrary such strategies are a symptom of a qualitatively distinct stage in the process of international capital accumulation.

The industrialisation of these countries has to a large extent been facilitated by the internationalisation of production—a process which has involved the relocation of entire industries (such as textiles) as well as specific aspects of industrial production (such as component manufacture and assembly) from industrialised to developing countries. This relocation has been enhanced by technological innovation providing for the disaggregation of the production process so that labour intensive aspect of the production of complex products can be carried out in countries providing cheap and largely unskilled and semi-skilled labour; in the words of some of the most prescient observers of the New International Division of Labour: 'it entails a growing fragmentation of the production process into a variety of partial operations performed worldwide at different production locations.'

This qualitatively new stage in international capital accumulation constitutes a tendency towards redefining not only the position of developing countries, but also the already industrialised ones. The essence of the new division is greater specialisation in the production process and the ensuing facility for location and relocation of productive activity. The process of refinement still continues with investors now drawing the distinction between varying categories of developing countries. For example, some labour intensive industrial activities are nowadays being moved from Hong Kong and Singapore
into countries of even lower wage costs such as Malaysia or, more recently, Sri Lanka. The increasing sophistication of this international specialisation depends very much on an ongoing supply of new entrants to the cause of EOI to compensate for the rising production costs in already established production sites.

That it is only in the last few years that we have come to recognise the growth of this New International Division of Labour, despite the fact that its evolution has been taking place for a decade or so, is due in no small part, we would suggest, to the blinkering effect of the rhetoric of dependency theory. The appeal of dependency theory as a critique of modernisation theory caused us to ignore the deficiencies in its own analytical concepts - as we have already, to a certain degree, suggested. In this particular context dependency theory's traditional view of the international division of labour has been very misleading, organised as it was around a dichotomy of a few highly industrialised countries supplying the bulk of the world's manufactured goods on the one hand, and a large number of developing countries acting as the suppliers of the world's raw materials and primary produce on the other. That dependency theory had an essentially geographical or spatial view of the division of labour stems inevitably from what we called its circulationist intellectual origins in an earlier section of this chapter. It is only since the growth of the productionist critiques of dependency theory in the latter part of the 1970s that we have been able to recognise the more complex structure of the international division of labour. With production as our starting point - as opposed to exchange, or circulation - we can put the spatial or geographical components of the division of labour, which we would not wish to dismiss entirely, into their proper but secondary perspective. Production is quite clearly a global, not national, process in the last quarter of the twentieth century. We must treat the international political economy as a whole for the purposes of analysis. Different parts of the productive process interact with one another and change in response to one another, they do not remain geographically distinct or separate.

The recognition of this situation has been important for our understanding of the nature of class formation and the role of the state in the Third World. With the growth of the productionist critique it was no longer satisfactory to assert that the dominant classes of peripheral formations could operate only within a comprador framework. The analysis of class formation in the periphery has become contingent on an understanding of the historical conditions of specific cases of capitalist penetration. In the early part of the 1970s the popular appeal of dependency theory and its subsequent modifications effectively prevented the recognition of such a viewpoint. Rather, the view of class and the state that emanated from dependency theory was one which perceived ruling groups in the Third World - be they industrial/commercial or political/bureaucratic/military and whether knowing or not - as agents of foreign domination. Working from a simple economic determinism, dependency theory perceived Third World countries, given their dependence, as incapable of producing an indigenous dominant class capable of serving other than foreign interests. Such theory does not, for example, allow us to explain the variation in the form of peripheral social formations, from central American banana republics or the impoverished land-locked states of francophone Africa on the one hand, through to the industrialised societies with highly technocratic, authoritarian regimes such as South Korea or Brazil on the other.

Indeed, when we look at how the NICs have increased their share of the world market over the last decade or so, and when we compare that increase with the decline in the share of the non-oil-producing developing countries we can see what one observer has called 'an explosive fragmentation of the old periphery'.

The conception of the state which grew out of dependency theory was one in which the state was a hinge between international capital and Third World social formations - in effect a staging point in the siphoning of surplus. Such a state exhibited a certain autonomy from the indigenous class structure per se at the same time as it exhibited control over the production process. In this context the state was seen as a mediator between local and international capital and as a security agent for international capital. This conception of the Third World state, referred to by some as 'overdeveloped', was further characterised by a large military and administration-bureaucratic apparatus inherited from the colonial period and responsible for expropriating and utilising a substantial proportion of the state's economic surplus. The consequence of such activity is that the personnel of the state apparatus who took on these functions were thought to develop a specific class interest of their own. This group has been referred to by Shivji, for example, as the 'bureaucratic bourgeoisie' - a class of well-paid administrators, military officers and/or party officials appropriating or controlling production. Not the least significant outcome of this has been the personal acquisition of private capital. As a nascent class, the bureaucratic bourgeoisie was perceived as having a vested interest in preserving its client role with international capital.

The productionist critiques of dependency theory over the last few
years have, however, caused us to refine substantially these essentially reductionist views which clearly offered little or no prospect for the autonomy of the ‘political’ from the ‘economic’ and must consequently be rejected as too narrow. We are not suggesting that the dominant economic forces in most Third World states are not exogenous. Rather we wish to question the inappropriateness and restrictiveness of a class analysis based on the notion of a structurally determined bourgeoisie, be it bureaucratic or whatever. Such views of class, especially notions of the burgeoning of a bureaucratic bourgeoisie as a functional or structural class, are simply too narrow. The dominant classes of many Third World states now exhibit significant entrepreneurial and professional sectors as well as bureaucratic and military ones. A bureaucratic section of a dominant class cannot, by itself, be the sole constituent. Consequently, we need to ask more important questions about a more numerous general dominant class and its relations to the post-colonial state – particular questions about the extent to which the dominant class undermined, as opposed to supported, external interests. As Colin Leys has suggested, in sharp distinction to dependency theorists, the dominant class in many Third World states may in fact use state power for its own purposes and not simply for the benefit of international capital.

The state apparatus may well be harnessed on behalf of the national bourgeoisie in any conflict between global and local accumulation. It is also, it goes without saying, capable of utilization on behalf of international capital when the interests of international capital and those of domestic capital coincide. We have suggested, already, a number of ways in which the state may perform such an important role in our discussion of the political support systems of EOI strategies. The chapters of this book on Thailand, Indonesia, and Philippines and Singapore provide, we feel, ample documentation to back up the assertions made here.

In retrospect such an interpretation appears self-evident, yet to accept such an assumption is not, ipso facto, to accept that the way is open for development centred on the economic nationalism of a growing bourgeoisie. It should be noted that these processes may well be limited to specific states or limited in extent to particular sections of individual Third World states. Imperialism, as Warren suggested, does allow for the spread of indigenous capitalist development, but again we should note that such a spread is contingent on variables such as the size of a state’s initial factor endowments, the degree of imperial penetration, and so on. We also need to note that there are vast disparities in the allocation of such variables, not only between the three major regions of the Third World, but also within these regions. It is in this context that attempts to assess which states are, and which states are not, achieving or likely to achieve, significant development are important. It is a strange irony that while the levels of capitalist development in Asia are certainly higher than those in Africa, the level of analysis of these respective rates of development are reversed. This would appear to be a much greater theoretical understanding of the processes taking place in Africa, than Asia, if the recent literature is any yardstick. Particularly insightful has been the debate that has taken place over the nature of capitalist development in Kenya over the last few years and the general line of analysis of Southeast Asia taken in this work has been usefully informed by it.

It behoves us to recognize the important influence of the different historical and socio-economic considerations of respective peripheral states. Such a conclusion leaves the debate at a stage where it is difficult to attempt to formulate generalisations at all, with any degree of certainty, apart from the need to see the dominant class in holistic terms (despite its acknowledged fractions) as opposed to seeing the dominant class in a structural sense of being a specific functioning group, in the fashion favoured by the radical structuralist framework of the dependency theorist in the mid-1970s.

To urge this holistic approach to the dominant class is not, however, to assert a relatively straightforward process of analysis of class formation in the Third World. Discussions of the nature of class formation and the role of the post-colonial state have specific ‘levels of analysis’ criteria which need to be applied. The national bourgeoisies of Third World states, as we would hope to show in this book in the Southeast Asian context, are in an ambiguous relationship, exhibiting both confrontation and alliance with foreign/international capital. To talk about a dominant class that interacts with the international environment requires a different perspective to an analysis which focuses on that dominant class’s domestic relationship within the specific social formation. In this latter context the class frequently looks less dominant than it does when involved in a process of international interaction. In the Third World, classes can often appear more complex than classes in the advanced industrial societies. This is so because many fractionalised classes exist in societies where pre-capitalist relations of production have not been entirely eliminated, and where capitalism might be at only an immature stage of development. In such contexts, the behaviour of nascent classes is therefore often conditional on their interaction with groups exhibiting forms of group solidarity, other than class affiliation, in a given society.

As with class, then similarly with the role of the post-colonial
state, we need to recognise the variety of levels of development and the subsequent range of options open. The peripheral state is neither economically determinist nor politically voluntarist. The economic structure may well be the dominant factor, but it does not preclude the state, or rather the personnel of the state, behaving with varying degrees of political or ideological independence. It is important to avoid the pitfall of attempting to build up some kind of generalised hypotheses around the nature of the state in post-colonial societies. This pitfall is the danger inherent in the creation of one or possibly two abstract models of the ‘state-in-general’. It would seem to us methodologically absurd to make generalisations about the peripheral state when our data and knowledge of its functioning in individual cases are almost always inferior to those which we possess about the advanced industrial state, but about which we are far less ready to make sweeping statements.

4 Concluding remarks: Southeast Asia, development theory and the international order

Given the length of this chapter and the wide range of ideas it has tried to canvass, it probably makes sense by way of conclusion to draw out what we feel are the major issues in development thinking that need be borne in mind in any attempt to understand the current political economy of Southeast Asia. Perhaps the first point that needs to be made related to what we have referred to as the current orthodoxy. Contrary to the views of the initial variant of growth theory that assumed that economic growth led to spin-offs in the implantation of democratic forms of government, the current orthodoxy makes no such assumption. Rather, the corollary of current growth theory is authoritarian government – or what we have referred to as corporatism. The major difference between growth theorists of the last 1950s and those of the present is that earlier theorists were liberal mind optimists while present policy analysts and theorists seem to show little or no anxiety at the strength of the relationship between economic growth and authoritarianism. While growth theory may have a preference for growth with equity and democracy, where possible, it will acquiesce in growth with inequality and authoritarianism where necessary – especially, not to put too fine a point on it, where the preservation of Western interests are concerned. The influence of the political order approaches to political development have been grafted on to growth theory in an uncertain manner.108

The other aspect of the current orthodoxy to which we devoted considerable attention is the prominence of Export-Oriented Industrialisation strategies amongst developmental policy-makers, be they in the Third World or in the corridors of the world’s major financial institutions – especially the World Bank. We are not suggesting that such strategies are already predominant in all the states to be studied in this work. Whilst EOIs might have developed to its purest form in Singapore, Import Substitution Industrialisation still largely predominates in Indonesia, Thailand and Malaysia. Rather we are suggesting that the popularity of EOIs should be understood by the manner in which it optimises the growth of the New International Division of Labour. It is in this context that we allocated particular importance to the analysis of the nature of class formation and the role of the state in the Third World, that has developed as a response to dependency theory over the last few years. Such analysis has highlighted for us the way in which the state can be harnessed in the interests of international capital, but also more importantly the way in which it can also be used by the dominant class in a given society in any potential conflict of interest between domestic and international capital. Class and state behaviour is a much more complex phenomenon than was assumed in the early dependency literature.

Similarly, the kind of post-dependency radical theory we have outlined provides the basis, we feel, for a much more complex analysis of the structure of capital be it merchant, industrial or financial – as with the various elements of the dominant class, be they foreign, domestic, industrial, financial, merchant or petty bourgeois. It provides a means of explaining and analysing the huge variety of capitalist transformations occurring in Southeast Asia through the analysis of the specific historical development of domestic relations and forces of production and their relationships with specific forms of foreign capital intrusion.109 Perhaps the major weakness of radical theory is still its tendency to treat foreign or transnational capital in largely polemical terms and with implicit circulationist assumptions about its function as an exploiting agency. We are, however, striving towards some reconciliation of the productionist and circulationist poles.

It is in this context that we feel the most promising development to flow from the analysis of production rather than exchange is the recent utilisation of the concept of the international division of labour. Within this concept it is the dynamic of accumulation rather than the logic of unequal exchange which determines the levels of industrialisation in specific social formations. The notion of exploitative economic relationships between two countries, or the centre and the periphery in common radical parlance, is replaced by the working assumption of a common subjection of all nations (including
the advanced industrial West to decisions about the movements of capital taken in those decision-making situations which do not draw on the concept of national interest for their impetus. Consequently, the advanced industrial economies have been progressively divested of more labour-intensive manufacturing processes as profitability considerations force a concentration of capital and technology-intensive industries in high-wage countries. The industrialisation of the Third World is a complex interaction of these waves of industrial investment, technological diffusion and specific developments in the class formation and political structures of individual Third World states. Post-dependency radical theory has yet to provide a systematic analysis of the industrialisation process in Southeast Asia in terms of the relationship between these domestic transformations in the relations of production and the global division of labour. We hope that the chapters in this volume can go some way towards advancing such an analytical tradition.

Notes

1. We use these broad generic terms simply to note the distinction between intellectual traditions emanating from Comte, Durkheim, Weber and Parsons on the one hand, and Marx and Lenin on the other.
4. It is, of course, important not to caricature modernisation theory and, whilst conscious of Raymond Grew’s criticism, in this context we feel that the ideal-typical dichotomy was indeed at the heart of modernisation theory. See Grew, R., ‘More on Modernisation’, Comparative Studies in Society and History, 14(2) 1980.
8. Packenham, op. cit.

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See the review of the rise and demise of development economics by Dudley Seers, The Birth, Life and Death of Development Economics, Development and Change 10(4) 1979.

A comprehensive collection of the economist/political science critique of the Sukarno regime is Tan, T.K. (ed.), Sukarno's Guided Indonesia, (Brisbane, Jacaranda, 1987). In Chapter 11, Arndt, H., 'Economic Disorder and the Task Ahead', looks forward to a return to the freezing of the market and the reconstruction of the Indonesian economy on the basis of rational economic decision-making. McCawley, P., Industrialization in Indonesia, (Occasional Paper No. 13, Development Studies Centre, Australian National University, 1979), continues to deplore political and government intervention in economic planning, especially in relation to state subsidy and protection of important substitution industry.

See Chapter 5.

A view of the political economy/economics debate from an economist's perspective see Glasbrenner, B., Political Economy and the Suharto Regime, Bulletin of Indonesian Economic Studies 14(3) 1978.

The central dependency work in this debate is Mortimer, R., 'Indonesia: Growth or Development in Mortimer, R. (ed.), op. cit.

Arndt's views are best set out in the earlier version of his previously cited paper on development and equality presented as a work in progress paper in the Department of Economics, Research School of Pacific Studies, Australian National University, 1974.


One of the most cohesive and influential groups of analysts dealing with Southeast Asia, and particularly Indonesia, is located within the Research School of Pacific Studies at the Australian National University. The Bulletin of Indonesia Economic Studies, until recently edited by Heinz Arndt, has been an important barometer of developments within the growth economics school and for this reason is worthy of close attention.


One of the few who have enthusiastically embraced the liberal reformist approach is the political scientist Philip Eldridge. See his Indonesia and Australia: The Politics of Aid and Development Since 1966. (Canberra,
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Clearly colonial economic penetration based upon political control of trade and forced deliveries of crops and labour worked through and depended upon existing social and political structures. Even in the period of corporate plantation production, wage levels could be kept low because they were not intended as a social wage – part of the burden of maintaining the families of workers was borne by the subsistence village sector. However, we do not wish to push this concept of dualism to the extent that some writers have by claiming that capitalism may permanently shore up pre-capitalist modes. Articulation of the two modes at the same time involves the introduction of wage labour, commodity production and money which erodes the old structures. See, for example, Elson, R., The Cultivation System and Agricultural Involution, Monash University, Centre of South East Asian Studies Working Paper 14 (n.d.) for criticisms of Geertz' thesis that the intensification of colonial exploitation under the cultural system in Java actually created a retrogression to homogeneous, communally dominated village social structures outlined in Geertz, C., Agricultural Involution, (University of California Press, 1963).


For an excellent discussion of this concept see Mack, A., 'Theories of Imperialism: The European Perspective', Journal of Conflict Resolution 18, 1974.
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has generally been the forum for the interface of dependency theory with more orthodox Marxist theories of imperialism and class.


75 Fizazi, R. and Sinsawadhi, N., Thailand: Student Activism and Political Change, (Bangkok, Editions Duang Kamol, 1974).

76 Chenery, H. et al., Redistribution with Growth, (London, Oxford University Press, 1974), and U1 Haq, M., The Poverty Curriculum, (New York, Columbia University Press, 1976) are the most fundamental statements of these two approaches.


78 Cox, R., Ideologies and the New International Economic Order, International Organisation, 30(2) 1976, discusses these perspectives.


82 Halassa, B., 'Structural Adjustment Policies in Developing Countries', World Development, 10(3) 1982, p.23.


84 Ibid., p.71.

85 Ibid., p.76.


87 World Development Report, op. cit., p.5.

88 Ibid., p.98.

89 Hill, op. cit.

90 World Development Report, op. cit., p.76.

91 Ibid., p.78.


93 It is worth noting that Huntington’s 'Political Development and Political Decay', op. cit. was first published as early as 1965.

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97 Leipietz, op. cit., p.39.


100 Petras, op. cit., p.302.


102 Shivji, I., op. cit.


106 For a useful review of this debate which has occurred through the pages of the *Review of African Political Economy* see Chapman, P., *The Development Debate: Some Theoretical Implications of the Kenyan Case*, MA Thesis, Graduate School of Arts and Social Studies, Sussex University, 1980.

107 Some of those problems are well discussed in Ian Roxborough's *Theories of Underdevelopment*, (London, Macmillan, 1979), pp.72-8.

108 Donal Cruise O'Brien in his study of American political science in the 1960s makes the distinction between the liberal-minded optimism of the Social Science Research Council (SSRC) Committee on Comparative Politics under the chairmanship of Gabriel Almond in its early days and its order-oriented focus in the later days under the growing influence of Lucien Fae and Samuel Huntington. See O'Brien, 'Modernisation, Order and the Erosion of a Democratic Ideal... ', op. cit.

109 We have yet to see any substantial attempt to analyse the historical development of any specific country in Southeast Asia using mode of