

China's Image from the Perspective of the Developmental State: What Kind of "Developmental State" is China?

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Abstract: The developmental state has become a popular definition used to discuss the "China Model". Based on the developmental state, various definitions have originated. Concepts such as new developmental states and neo-developmentalism are widely applied to describe Chinese development. This paper summarizes representative opinions in examining China from the perspective of the developmental state, and reevaluates the specificity and characteristics of the Chinese developmental state in terms of structural dynamism. We believe that the developmental state as a concept is not precisely defined. Instead, its application and extension must incorporate considerations of historical specificity and subject continuity. Considering such initial constraints as politics, economics, and military conditions, China differs significantly from other classic examples of East Asian developmental states. Consequently, China would also face different developmental paths, directions, corresponding policies, and measures from those of other developmental states. The East Asian experiences of developmental states only offer limited scope for reference. Still, in terms of effective integration between markets, governments, and societies, their experiences and lessons prove worthy for consideration and reflection.

Key words: developmental state; List; China Model; historical specificity

Introduction

In research on models of economic development for China, the theory of the developmental state has often become the most *convenient* label. Regardless of consideration for historical, geographical, or cultural backgrounds, researchers have found it difficult for them not to correlate China's development with those of its East Asian neighboring countries. Consensus among researchers states that the growth trajectories of China and its East Asian neighbors shares such similarities as high savings rates, high investment rates, and government leadership. Also acknowledged are characteristics unique to China. For instance, the Chinese official promotion mechanism inspires competition among local governments. China focuses more on the direct state ownership of large-scale enterprises and emphasizes the competitive power of national teams

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(Albert, 2014). Through a process of comparative studies, derivative concepts of developmental states emerged. These include the New Developmental State (NDS) (Trubek, 2010), the Listian Developmental State (Breslin, 2011), and Post-Listian theory (Strange, 2011).

It is more likely that the application of the developmental state concept to China, either directly or correctively, originated from a certain *inertia* of technical jargon. Still, it would be cursory to apply the same logic and assume theories and policies for developmental states would be completely applicable for explaining or even guiding China. Since its coinage, the concept of the developmental state is not a theory of “one size fits all”. Rather, it is merely a theoretical framework with historical specificity. No two identical developmental states exist in the world in terms of policies, processes, or performance. Therefore, although various concepts of developmental states applied to China take into consideration China’s initial conditions and differing external environments, it is still necessary to prudently analyze the rationality and enlightenment of those concepts. For instance, do key similarities suffice to make China and East Asian countries share concepts of the developmental state, or vice versa? Do the discrepancies between China and other developmental states suggest other root causes of existing problems in Chinese economic development than ones from other East Asian countries? Do those discrepancies mean China may choose a different path for development? This paper aims to clarify the connotations of the developmental state and its derivative concepts and explore their significance for enlightenment.

Developmental State Theory: A Habitual Classification Tag

The Beijing Consensus was first raised by Kavaljit Singh in 2002 (Kavaljit, 2002) and was further publicized in 2004 by American scholar Joshua Cooper Ramo through his article *The Beijing Consensus: Notes on the New Physics of Chinese Power*, which kick started hot waves of discussion on the China Model and “China’s Rise” in academic circles at home and abroad. Such discussions reached a climax after the economic crisis in 2008. In 2009 alone, the number of papers discussing the China Model totaled 3,000 (Fewsmith, 2011). As Breslin (2011) puts it, researchers from either China or other countries all showed their strong interest in the China Model during and after the economic crisis.

After the Southeast Asian financial crisis of the 1990s, the developmental state theory was heavily criticized. Notably, its key hypothesis, stating that “an autonomic government exists independently under the pressure of the social group” was criticized for its over-idealization. Still, the developmental state remained a major perspective in many discussions around the China Model. A considerable number of scholars believe China is certainly a developmental state (Wang et. al, 2011). Some scholars make amendments to the concepts of the developmental state. Concepts such as NDS, State Capitalism (Schweinberger, 2014), Liberal Neo-Developmentalism, New Listian- and Post-Listian theory were proposed to describe the China Model (Strange, 2011). In fact, the perspective of the developmental state is not limited to research on the China Model, since it is also applied to analyses of other emerging economies like Brazil and India (Haggard, 2013). Developmental state theory has maintained its vitality since its inception in the 1980s for more than 30 years, reinforcing the comments made by Peter Evans. To quote him,

The idea of the “developmental state” has proved one of the most robust, charismatic concepts in development theory. Following the western-centered modernism theory of 1950s and the dependency theory of 1960s, it is the most suitable theory to depict the economic development of emerging economies, especially so for East Asian countries (Evans, 2013).

The developmental state theory originated from Chalmers Johnson’s research on the Japanese economic miracle (Johnson, 1982), and was further improved and developed after Alice H. Amsden’s research on South Korea in the post-World War II era (Amsden, 1989), and Robert Wade and Evans ’s research on Taiwan (Wade, 1990; Evans, 1995). Yu Zuoen provided an overview on the developmental state theory, characterizing developmental states as countries with sustained aspirations for development, highly-autonomous central economic bureaucratic institutions, close cooperation between government and businesses, and selective industrial polices (Yu, 2008). As far as organizational structures and operational features are concerned, developmental states are characterized by excellent bureaucrats, national independence, market intervention, and planning departments (Johnson, 1982). East Asian countries undertook the developmental state path that differs from liberalism and planned economy, achieving Gerschenkron’s ideal of concentrated and accelerated industrialization for catch-up economies. According to the developmental state theory, the historical and cultural specificity of East Asia translates into a high degree of autonomy, paving the way for elite technocrats to possess capacity

and willingness to intervene in the economy, sustaining economic development by providing industry-specific subsidies and various forms of support.

In the formation process of the developmental state theory, representative figures like Johnson and Amsden have proposed different definitions for developmental states, based on their specific case studies. The subject countries all differ in policies and decision-making. This is further complicated when all pioneers of the developmental state theory stress their uniqueness and lack of reproducibility. When discussing the key to success, Johnson attributes Japanese success to the industrial plan of the Japanese Ministry of International Trade and Industry and the close relations between politics and commerce. Amsden believes that the reason for South Korean success lies in its governmental subsidies which distorted prices. In Wade's opinions, the success of Taiwan comes from its guiding markets and triggering free markets. Although they all emphasize the state's effective involvement in the economy, these approaches differ significantly in actual implementation. For instance, South Korea focuses on plutocrats, and Taiwan on medium and small-sized enterprises. Although all the East Asian developmental countries and regions stress that collectivism and a nationalist spirit play crucial roles in the process of building strong nations and economic supremacy, industrial policies and foreign investment policies still differ, with Singapore and Hong Kong more akin to internationalism, Japan displaying nationalist traits, and South Korea evidently showing statism (Zheng, 1996).

Therefore, many researchers believe that the developmental state is merely an abstract concept instead of a clear and operable one. Harvard University Professor John Knight points out the lack of consensus on what the developmental state really is, despite its apparent popularity as a concept (Knight, 2014). Other scholars believe that historical factors were excluded from consideration when researchers like Johnson studied the characteristics of the developmental state. When their successors expand on such ideal types, the historicity embedded in its embryonic definition is often neglected, rendering it an abstract theoretical model with no attachment to history. From a definition perspective, the developmental state is just the integration and extension of mercantilism, bureaucrat capitalism, corporatism, and state-centrism (Zheng, 1996). From a practical perspective, the developmental state differs considerably in policies, politics-commerce relations, and economic performance across different countries and regions. In addition to the

flaws known to all, such as ignoring the complexity of states and regarding bureaucrat groups as the only decision makers, the developmental state theory is “theoretical materialization” and “tends to be applied to categorize facts and becomes a label to categorize for rapidly developing countries” (Wu,2014). In this sense, the wide use of the developmental state, whether consciously or unconsciously, can be regarded as terminological inertia, rather than a precisely grasped concept. This is exactly why we have to consider with caution the labelling of China as developmental.

Representative Views on China from the Perspective of the Developmental State

Various research on China from the perspective of the developmental state can be classified as follows: some believe that, although differences between China and East Asian developmental states exist, such differences do not suffice to constitute a developmental state type unique to China. China today is comparable with Japan before the 1980s and South Korea after the 1990s. Scholars including Knight (2014), Kalinowski (2014), and Baek (2009) champion these beliefs. Others propose that significant differences between China and East Asian developmental states would mean that theories and policy recommendations for developmental states are no longer appropriate for China or other emerging economies. Representative scholars who hold this view include Trubek (2008) and Evans (2013, 2014).

The differences between those two opinions mentioned above are: the former believes that the developmental state is regarded as an inevitable development phase with common features for a backward country to catch up with and surpass developed countries. Consequently, the developmental state in a specific time frame can always find comparable subjects in history. The latter believes the developmental state is a dynamic concept, and the developmental states at different development stages possess different features. Accordingly, the connotations of the concept of the developmental state need to be redefined with renewed meaning.

John B. Knight is one of important representatives of the former opinion. For Knight, the concept of the developmental state has no consensus at a higher level. All states can be called developmental states as long as two conditions are met: firstly, the state regards economic development as its preferential target; and secondly, the state strives to achieve this target through

institutional arrangement and incentive structures². Thus, according to Knight, the first thirty years in the history of China focused on political rather than economic development, and major achievements are reflected in the political field. It was only after 1979 that China began to orient towards economic development as its preferential target, thus becoming a developmental state. Just like many other scholars, he thinks that much development in China is driven by local governments' competition guided by political decentralization, clearly featuring promotional competition. To a large extent, Chinese local governments conform to the definition of developmental states³. He concludes that China is a successful developmental state, and China still qualifies as a developmental state to this day. It confronts developmental barriers and risks such as interest groups, social stability, and financial risks, the same as those encountered by other East Asian developmental countries in their early development stages. China should take care about the predicaments and risks that East Asian countries face.

Similar opinions are also held by Korean scholar Baek (2005), Beeson (2010), Kalinowski (2014), and so on. Baek Seung-Wook compares governmental controls over financial resources and export-oriented industrial policies, deriving the conclusion that no substantial difference between China and other East Asian development countries exists, and is extremely like Taiwan. Mark Beeson believes the Chinese and Japanese economic modes share many similarities and can share the label of developmental state. The most fundamental similarity is that, in China and Japan, strong national intervention receives much less criticism than it would in the UK and the USA. Still, Beeson admits that certain problems and characteristics in Chinese institutions are different

² Knight does not believe that a developmental state means a high growth rate. In his opinion, whether a state is a developmental state or not cannot be judged from its performance, because it is possible for a state to set economic development as its priority, but this target may fail to be reached due to restricted conditions or ineffective policies. Likewise, a state may achieve a higher growth rate due to accidental factors like good initial conditions and good market opportunities, even if the state does not devise effective institutional arrangements. So, a developmental state does not necessitate rapid economic development, and a state with rapid economic development may not be a developmental state.

³ Richard Stubbs (2009) also holds such ideas: that Chinese local government fits better with the characteristics of the developmental state.

from those of Japan, especially China’s insufficiency in national power and strong dependence on foreign investment. Generally, China is still like Japan, in that,

to employ a comprehensive path of technological upgrading, security and development, even if China does not have similar capacity, it still has similar determination (对于采取一种全面的技术升级、安全和发展的道路，中国即便没有类似的能力，也有类似的决心 *duiyu caiqu yizhong quanmian de jishu shengji, anquan he fazhan de daolu, Zhongguo jibian meiyou leisi de nengli, yeyou leisi de juexin*) (Beeson, 2010:76).

In accordance with formal differences in governments’ expenditure, economic intervention methods, and market coordinating approaches, Thomas Kalinowski (2014) believes that China today is similar to Japan before the 1980s and South Korea before the 1990s, featuring protectionism and clear macroeconomic plans.

	Government’s Expenditures	Main Roles of The State	Interactive Modes	Category
Regulatory State	Small	Providing Institutional Structures	Markets	The USA
New Corporatism	Big	Promoting Collaboration among Interest Groups	Collaborating, Adjusting	Germany
Welfare State	Big	Redistribution	Collaborating, Adjusting	Sweden
Developmental State	Small	Macro-Plan for Growth and Protectionism	Tiered Systems, Dominated by The State	Japan before the 1980s, South Korea before the 1990s and Modern China
New Developmental State	Growth	Corporate Development, Micro-Intervention and Subsidy	Tier Dominated by Enterprises	Japan after the 1980s, South Korea after the 1990s

Table 1: Types of Capitalism

Source: Kalinowski (2014)

The second view is championed by Trubek (2010) of University of Wisconsin-Madison and Evans (2013, 2014), a key figure in the developmental state theory. Trubek asserts that it is more appropriate to use the NDS theory to describe the BRIC countries (Brazil, Russia, India, and China). Based on the different degrees of state intervention and economic openness, Trubek classifies

developmental states into three types. The first refers to Classical Developmental States - like Germany - characterized by strong national intervention, weak economic openness, and evident protectionism. The second is Asian Developmental States, featuring strong national intervention and relative economic openness, while restricting foreign direct investment. The third is NDS, represented by the BRIC countries, which have strong government intervention, but are more open in economy than the former two. Trubek highlights the lapsing of an epoch, when it was possible for backward countries to collectively kick start short-term industrialization and catch up with or surpass developed countries, because of global supply chains, information technology development, and the rise of the knowledge-based economy. It is important for NDSs to go beyond the East Asian experience and establish a new political economics of developmental states for themselves⁴.

Although both scholars use the concept of the NDS, Evans aligns with embeddedness and focuses more attention on the amendment of the targets of the developmental state and on the adjustment of relations between the state, society, and enterprises (Evans, 2013, 2014). In the opinion of Evans, the developmental state theory must surpass the singular economic development target and instead emphasize expanding human capacity, a Senian approach at its core, i.e., human development is not only the ultimate target for development, but also a crucial measure for raising productivity (Evans, 2013). Evans stresses embeddedness, especially the impact of such factors as state competence, state-society ties, national strength, and civil society on achieving developmental state targets and human development targets. In his opinion, the most crucial factor is the competent, continuous, and stable public service agencies, without which it is difficult to reach the targets of human development and human capacity expansion. He emphasizes that large developing countries like China and India are certainly different from traditional East Asian

⁴ Trubek summarizes the core political assertions of the New Developmental State political economy: to achieve the specific niche and strengthen technological and innovative capacities through planned investment with special purpose, enhance its position in the global supply chain, have a major reliance on private investment instead of government investment, prefer to strengthen entrepreneurship and product innovation rather than relying on imported technology, promote productive rather than speculative FDI, intensify competition not protection among private businesses, leverage the capital market in allocating resources, and decrease inequality to guarantee social stability, etc. (D. Trubek, 2010).

developmental states. They have more complex national structures, more sophisticated state-society ties, and interactive modes. They both confront a similar issue while rapidly developing: the political strength of the increasingly strong capital which is likely to destroy state competence and prevent them from reaching their developmental state targets if there is no strong countervailing social force.

Structural Dynamism and the Diversity of Developmental States

For the above-mentioned points, we can find many counter-factual as rebuttals or to verify our points further. For instance, John B. Knight overly emphasizes commonalities among developmental states, while overlooking their differences. East Asian developmental countries have experienced problems including with interest groups, social stability issues, and financial risks, all of which are certainly present in China, but the root causes still differ. Even for those East Asian developmental states, the reasons and representations of those problems are not entirely alike. It is also questionable for Thomas Kalinowski to believe that trade protectionism is the similar trait between China and the early stages of Japan and South Korea. It is more plausible that they lacked protectionism and foreign investments, with an over-reliance on external markets (Huang, 2008; Jia, 2015). Even if Chinese development is one of protectionism, its focus and formation mechanism also differs from that of the early stages of Japanese and South Korean protectionism. Japanese-South Korean protectionism was possible because of the US' tolerance of neo-mercantilism in the Cold War context, allowing Japan and South Korea to benefit from leveraging the fast-expanding international economy to enter key European and North American markets relatively freely, without having to open up domestic markets.

This paper aims to address Chinese conditions from the lens of Western academia's developmental state theory. It does not attempt to provide a comprehensive evaluation. As a historically specific and non-universal theoretical framework, the images under the lens of the developmental state can be innumerable. In our opinion, the most valuable question is whether a common success mechanism among a plethora of developmental states exists. We do not believe the answer lies in baskets of policy recommendations, for from a cause-effect view, policies from all successful developmental states are formulated, implemented, and effected under specific external environments and in differing internal conditions. Without temporal-specific conditions,

these policies may not be transferable to different subjects. However, the continuous and repeated successes of the developmental state model in the world over an extended period of time indicates the potential for success for state-led economic development, and more crucially it demonstrates the existence of a certain kind of specific cause-effect mechanism. We will benefit from these diverse forms of developmental state theory if we explore such a cause and effect mechanism.

From Johnson to Evans, none of the theoretical founders of the developmental state theory has given a convincing answer to this question. For them, success may be traced back to competent government agencies and carefully orchestrated industrial policies (Chalmer, 1982), or from the state's competence in embedding the economy (Evans, 1995), or from effective bureaucratic systems and embedding the economy (Kasahara, 2013). It is easy to understand that their differences are more likely a result of case studies; therefore, their conclusions are characteristic of a specific case study, without attaining a generic answer appropriate for guidance. Inheriting traditions from Liszt and J. A. Joseph Alois Schumpeter, and researching the development experience of Germany and the East Asian countries, Reinert and Zhang Xia draw the conclusion that choosing a correct industrial activity (of increasing returns) is a good path for economic empowerment and state growth. Scholars have conducted extensive discussions on how to choose and promote these correct industrial activities, based on the third technology revolution and new features of global trade and the division of work (Jia, 2015; Reinert, 2010). Still, we have to ask if selecting correct industrial activities is a method by itself, or already part of the target. If we admit that the formation and operation of the developmental state are two different processes, then the choice of correct industrial activities is just a path to building a wealthy and strong country, instead of the wealthy and strong country itself. How then can we reach the aim, even if we choose the correct direction?

The developmental state does not just mean that government intervention must happen; otherwise all countries of the world are developmental states. Likewise, the developmental state does not mean that the government must support or guide a specialized department because it is a common policy characteristic that echoes from the past to the present for all countries⁵. Historically,

⁵ For example, Block F believes USA is a hidden developmental state, and its power can be found in supporting national innovation system and effective intervening in new technological sectors and strategic industries. This power has been growing in the past three decades, which can be seen

the developmental state only refers to those countries where the state plays a role as the social engine in the process of restructuring national economic systems. Tracing from the developmental state back to Liszt, it only refers to a country which accelerates and drives the transfer of a primary, primitive, and agricultural economic system into a modern manufacturing-based industrial system (Kasahara, 2013). According to Woo-Cumings (1999), the developmental state model can be used to describe the mercantilism period of modern Europe, and later the rising periods of Germany and the USA. Shaun Breslin believes that the developmental state described by Liszt indicates a continuity between the China Model and early Asian developmentalism model and even earlier European and American state-dominated development systems exists (Breslin, 2011).

Therefore, a more comprehensive and dynamic perspective should consider the development process of the developmental state as the formation process of the modern market economy country dominated by the government, not from the perspective of a special policy package. Although government dominance is a shared characteristic for developmental states, it is just a starting point, not the destination. According to Jessup, a representative of the Regulation School, the formation of an effective development model is the result of the coordination and cooperation between market mechanism, state intervention, and social structure as a driving mechanism for structuralizing, rather than originating purely from the state. So, the story of East Asian countries is the story that those countries achieve state-economy-society structural correspondence in their rapid industrialization process in the Cold War period (Jessop and Cho, 2001; He, 2011). From this point of view, we can discuss the essence of the developmental state. A developmental state is a country without an effective market mechanism and state management at the very beginning, one that lacks mature social structures or mature market subjects or civil societies. Under a collective desire for economic development, government mobilizes, organizes, inspires, and leads societal and economic entities, and eventually drives a spontaneous and internally driven market economy in the right industrial direction. It may be authoritarian or liberal, but its final goal is to form an economy which is dominated by internal economic incentives and possesses internal driving forces. The government is extremely important to the developmental state because it is the sole possible

from NASA and Advanced Projects Research Agency (ARPA). The same happens to Europe. See (Block F, 2008).

and legal mobilizer and organizer at the very beginning. Embeddedness is crucial to the developmental state because the government can only guide economic and social entities to realize economic and social goals, not replace them. Instead, it must maintain a distance with the market and society, but still maintain a reasonable direction⁶. It must find a delicate balance between permeating and extruding, and between inspiring and restraining. The developmental state has to change from the idea that “the country should complete social and economic targets in a planned and reasonable way” into the idea that “internally driven market subjects and civil society should complete social and economic targets”. In this change process, the difference between internal and external initial conditions and the gap in subjective initiatives would lead to different characteristics of development paths. This is the real reason for the diversity of developmental states.

If we observe the developmental state from the perspective of structural dynamism, we can explain *development* and understand “why this type of development, not that type”. Any developmental state is confronted with specific internal and external constraints⁷. The internal constraints include resource endowments, social structures and corresponding political patterns, initial market development (like the initial distribution of market entities, ownership systems, scales, etc.), and bureaucratic capacity, etc. The external constraints include external economic conditions (the stages of technological long waves, international division of labor, and trade order), and external political and military conditions (alliances and opposing forces). Objectively, internal and external constraints provide the whole possibility set for state actions. In the development process of the developmental state, those conditions will change accordingly. For instance, the

⁶ The defects of the developmental state mainly come from embedding difficulties. According to Mark Beeson, the risks and skills of the developmental state are that its bureaucracies should be strong enough and good at coordinating and approaching society and economic operators. Only in this way can policies be implemented and development “guided”. If the bureaucracies keep too close a relation with special interest groups, they will become the “captives” or servants of the latter. This is the reason for “crony capitalism”.

⁷ Some scholar believes that the change of social structures is the basic factor to determine political systems, mechanisms, and the choice and implementation of development strategies of the industrialization era (Fang Ning 2015), but in our opinion, it is just one of the internal constraints.

growth of the developmental state leads to changes in domestic social, political, and economic situations, or external political, economic, and military conditions. The policies of the developmental state have to adapt to such changes, so that developmental goals may be reached with success. The differences of the initial constraints are manifested in different path-dependency. Dynamic changes to environmental factors would create different paths for developmental states. Historically, successful developmental states have set their successful development directions based on their initial constraints, and then adjust along with the changes of those constraints.

What Kind of “Development” State is China?

The development process of East Asian developmental states fully demonstrates the structural dynamic evolutionary process of modern market economic countries dominated by the government. The reason for their developmental similarities and dissimilarities can be found in their internal and external restraining conditions and dynamic changes. Judging from the developmental paths of the first-tier Asian Newly Industrialized Economics (Japan, South Korea, Singapore and Taiwan), the similarities of their initial external conditions go as follows: in political and military conditions, they all belonged to the Western group in the Cold War and shared the same ideology and political system as the UK and the USA. Therefore, they could benefit from external economic aid to different degrees, realize the first wave of capital accumulation, and establish their industrial systems accordingly⁸. They were all allowed tacitly to deploy protectionism through various kinds of subsidies and apply strict controls over foreign capital, in the process of building up and supporting targeted sectors⁹. When European countries allow those countries to take the protectionism measures mentioned above, they open their markets to those countries not in a coordinated way and take loose policies towards technology transfer and intellectual property

⁸ The relevant statistics show Japan received orders up to USD 3.4 billion during the Korean War. Johansson regarded American aid to Japan as an Asian Marshall Plan. Taiwan and South Korea had the similar advantageous external conditions during the Vietnam War. In 1946-1978, South Korea obtained economic aid and loans up to USD 6 billion.

⁹ Singapore is the sole exception. Singapore, independent since 1965, did not enjoy benefits from the Korean War, and had no natural resources for sale. Its only advantageous condition is its ports. It is extremely capital thirsty in terms of capital accumulation and industry initiation. This resulted in Singapore showing extreme tolerance, welcoming and even stimulating policies for foreign capital represented by multinational corporates in its initial development (Kasahara, 2013).

rights. In external technological conditions, the first-tier Asian Newly Industrialized Economies all went through the mature stage of the fourth technological tide, as well as the fifth technological tide. In their process of economic development, the global value chain has not taken shape. The division of labor between products was the main form of the international division of labor. Multinational corporations had not reached the monopoly levels of power they enjoy today. This significantly eased the way for these countries to catch up with technologies and create unique technological niches.

As far as internal similarities are concerned, the countries and regions mentioned above possess three common advantages: it is easy for them to reach a consensus in surpassing the developed countries economically, and they possess excellent bureaucratic classes, as well as a large quantity of easily activated potential market entities. Firstly, the beginning of their economic development also saw the emergence of the Cold War environment. Due to historical reasons, those countries and regions were confronted with strong external pressure, and therefore a spirit of nationalism was necessary and easy to come by. Achieving rapid economic development as a goal is a necessary measure to strengthen the legality of a government's performance, and the cost of social cohesion and mobilization is lower. Hence, it was possible to make economic development the primary target. Secondly, the bureaucratic classes shared a strong consensus in their inclination towards a free market. Those countries had many technocrats with relevant knowledge and experience, which makes them possible competent drivers of the developmental state. Thirdly, in the early period when the first-tier Asian Newly Industrialized Economies became developmental states, they all went through enormous social structural changes through war or reform, the fixed boundary between social classes and interest groups loosened, and society tended to be "flattened", which made it possible to

Adopt a directional and constraining special political system and development strategy to direct social flow to the economic field in the industrialization process. The wide and strong powers for economic growth took form and political participation and political dispute were limited (Fang Ning, 2015).¹⁰

¹⁰Fang Ning calls those countries having gone through the changes of social structures the "rapid countries" of Asia, and those without having gone through the changes of social structures "slow countries", the Philippines being one of the latter. Measures to stimulate the economy made by the

Briefly speaking, those countries possessed many potential market entities with lower activated cost.

We will not discuss the dissimilarities existing between these developmental states due to the limited length of the paper. It should be noted that comprehending the theory and making a case study should all start with special historical contexts. Without understanding the pre-World War II Japanese economy, it would be impossible to appreciate the technological and talent foundations for the post-World War II Japanese miracle. Without the context of Singapore's independence, it would be impossible to analyze the formation of its internationalism-oriented system. Without full recognition of Chinese uniqueness in internal and external constraints after China confirmed its prioritization of economic development, without appreciating the continuity of Chinese socio-economic development in the first and second thirty years period, it would be impossible to grasp the specialness of China from the perspective of the developmental state. In summary, the internal and external constraints confronting China and the changes originating from changes of those conditions all differ from those of other developmental states, except the consistency of the legality of economic development targets and in collective will. This indicates that the developmental state path China took has been a unique one since the very beginning.

From the view of initial external political and military conditions, China did have the kind of opportunities that Japan and South Korea had. It is also impractical to adopt the same model as what these two countries did. Frankly, China has always been confronted with distrust, vigilance, repression, and precaution since the very beginning of its development. With long-term changes in the international order, the effects of China's rise would certainly overshadow that of Japan, South Korea, and other regions, because "the new developmental state like China has the ability to become a competitor and challenger of international orders" (Trubek, 2008). From the view of external economic conditions, China has been facing a severe technology lockdown and the limitation of intellectual property rights from technologically developed countries since the very beginning. When China became more fully embedded in the global labor division system and trade system, symbolized by its entry into the membership of the World Trade Organization, the global

former are easier to be implemented than those in the latter.

value chain had mostly been formed. Under the context of modular manufacturing and intra-production labor division, Chinese technological advancement is limited in strength and nature, which sets itself apart from any other developmental state. Also, China cannot develop under the U.S. dollar-based system as did Japan and South Korea. China's impact on the staple commodities like energies and China's economic development's impact on the world labor force's markets and labor division order are enormous and profound. As Shawn Breslin puts it, China's integration into the world economy will unavoidably bring about great losses of jobs for many other countries and the resetting of their development strategies due to its cheaper production platforms. The Asian-Pacific political and economic situations will be redefined because of this (Breslin, 2005).

For initial internal conditions, China differs significantly from other developmental states in social and economic structures, and economic bureaucratic classes. They only share the premise of being "easy to reach the consensus of surpassing developed economies". The source of this difference comes from the planned economic foundation that China had. The evolutionary process of China's market economy is also a transformation process for its planned economy. While countries like Japan and South Korea embraced liberal markets without hesitation, China has always consistently insisted on its exploration of a socialist path with Chinese characteristics. China has been cautious about the intense and rapid reform of political and economic structures, which sets it apart from Eastern European countries. When China clarified economic development as its preferred goal, the preferences and competences of economic bureaucrats formed in the planned economy era, as well as the economic entities and social structures formed in the same era, became key in comprehending the initial internal constraints.

As far as economic bureaucrats are concerned, Japan and South Korea had a plethora of technocrats with extensive knowledge, rich experience, and a strong consensus to develop free markets. Comparatively, China had a batch of bureaucratic strata with consistent political ideology, loyalty, and rich experience in planned economy management. Japan and South Korea are likely to ensure continuity due to common preferences and, because of the separation of powers, their policy implementation can be easily misaligned and counteract one another. The difference on the level of government management means that, at least, China does not suffer from the same issues. As Shaun Breslin stated, when devising policies, the Chinese government often sacrifices rationality, harmoniousness, and uniformity, out of concern over maintaining party unity and

avoiding opposition from local government. The development policies from the Central Government are often distorted or boycotted when implemented on a local level, making the effective national implementation of economic coordination an arduous task (Breslin, 1996).

When inspecting economic entities, the enormous state-owned economy from the planned economy era is undoubtedly the major economic entity, but it is not an absolute market economy entity. Between the state and urban residents, between state-owned enterprise managers and employees, implicit contracts such as lifetime employment and other welfare promises always existed. It is not an easy task to activate and modify them towards marketization. Comparatively, potential and easily activated economic entities lie in rural collective and private enterprises. Market economy entities and external supports are lacking, and state-owned economy takes charge. Under such a premise, Chinese development chose peripheral reform outside of the established system and this released vitality from economic entities with least resistance. The differences in the structure of economic entities have persisted for more than thirty years of development. This well explains why the reform of state-owned enterprises has been an important issue for China's economic and social development.

The wide differences in initial external and internal conditions mean that China's so-called "developmental state" has differed from other East Asian developmental states from the very beginning. Although some researchers believe that there is no such thing as "China miracle" from the perspective of economic development (Wang, 2011), they fail to answer the question "Why does it develop like this?" In terms of economic policies and performances, we can find the "East Asian Phenomenon" that corresponds to "China Phenomenon", but their similarities in phenomenon do not indicate an identical cause-effect mechanism. Rather,

The repetition of comparative studies does not just exist at the phenomenon level, and observation and comparison of the repetition are not conducted at the phenomenon level either (Fang, 2015).

Historically, strategic imitation and policy imitation ignoring differences always fails to achieve expected results. In this respect, the international economic circulation strategy in 1990s is typically representative. This strategy abandons the past economic development strategy

dependent on the internal division of labor and domestic demands¹¹, and turns to external markets and foreign capital for support. Japan, South Korea, and other countries used similar strategies. China is different from Japan and South Korea, in that China has a potential big market ranging from producer goods to consumer goods. Japan and South Korea used an export-oriented development strategy after a complete deepening of their internal division of labor. This export-oriented development strategy is a way to set free production capability, achieve capital accumulation through external demands, and obtain an opportunity to create a technological niche. China's export-oriented strategy started before its internal division of labor was sufficiently deepened and domestic demand market fully expanded. In the context of module-based production and divided global value chains, China was unable to imitate Japan and South Korea, which actively developed export-oriented economies and exported to developed countries. Instead, China had to reverse that path, accepting Western developed countries deploying market protection for domestic high-end products while opening China's own high-end product market for Western exports. It also had to accept an *assembling-based economy* and *enclave economy* in the context of the export-oriented economy and bear the infamy of "Chinese style deception"¹². Therefore, the international economic circulation strategy fails to reach the expected result. On the contrary, it led to the siphoning of the capital and resources of the labor force to coastal export-oriented sectors, producing a misshapen "dual economy" which separated export and domestic demands, curbed domestic demands, and led to serious economic bubbles (Jia, 2010).

The differences in initial external and internal conditions make China a special "developmental state" and make us cautious about the experiences and failures of East Asian

¹¹ According to the statistics and analysis made by Huang Yasheng, China's rural economy and domestic demand-oriented economic reform had made enormous progress in economic growth, income distribution, and employment before it turned to foreign demand and foreign investment. Economic growth is driven by consumption and family-based consumption, accounting for half of the GDP. In his opinion, China's economic rise starting from the late 1970s is attributable to domestic rural economic development and internal reform and limited external reform.

¹² This term came from the trade war between China and the US for textiles of 30132003. According to a New York Times report, China did not obey the relevant rules after its entrance into the WTO and partook in a so called Chinese style deception. Please refer to David Barboza, 'Textile industry seeks trade limits on Chinese', New York Times, 25 July 2003.

developmental states. From the perspective of market economic growth and national modernization level, those successes and failures are worth learning from. In fact, there is much to be learned from all developmental states and successful market economic states on how they achieved a dynamic balance between state, society, and economy. Usually, a country does not have mature market mechanisms, market entities, or a mature civil society in the infancy of its market economy. Its first task is to foster and guide market mechanisms, and help market subjects and civil society to grow. What measures should be made depend on its internal and external constraints. With gradual development of market mechanisms, market entities, and civil society, how a state dominates markets, manages its society, and achieves effective embeddedness becomes more important. Despite over 30 years of reform and opening, China has yet to establish an effective mechanism harmoniously integrating market mechanisms, government intervention, and social structures. It is certainly important to summarize and compare China's various fields and aspects of Chinese economic development, but the essential radical issue still goes back to the issue of a socialist market economy with Chinese characteristics. More efforts should be made in research on how a self-driven market economic system takes form.

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