

The 5th Seoul ODA International Conference

**The Korean Experience
& the 21st Century Transition to a
Capability Enhancing Developmental State**

Peter Evans

University of California, Berkeley

13 October 2011





Reconceptualizing Development

The Senian capability approach has replaced traditional accumulationist models as the prevalent paradigm of development.

The expansion of human capabilities is both the goal of development (as a measure of social well-being) and the key means of development (enhanced human capabilities are the principle source of increased productivity).



Reconceptualizing Development

The capability approach converges with other work in modern economics:

- **theoretically: new growth models privilege ideas, information and other intangible inputs.**
- **empirically: econometric analysis suggests that “HD [human development] improvements must precede growth-oriented policies if growth is to be sustained.”**
(Boozer, Ranis, Stewart and Suri, 2003: 25).

The **political side** of Sen's capability approach is essential to Senian development:



Priorities must be determined via information intensive, thoroughly democratic, deliberative institutions [technocratic analysis is insufficient]

This implies a process of contestation, institutionalized in a way that encourages a focus on collective goals, safeguarding especially the ability of disprivileged groups to defend their vision of the collective good.

Deliberation is essential to defining goals.

It is also essential to the state's capacity for efficient implementation.



Reconceptualizing development has powerful implications for reconceptualizing the developmental state



Reconceptualizing the Developmental State

4 General Points



Reconceptualizing the Developmental State

1) **Capable public bureaucracies** are even more important than we thought they were.

Without competent, coherent public bureaucracies, capability-expanding public services will not be delivered.



Reconceptualizing the Developmental State

- 2) The ability of the state to **pursue collective goals coherently**, rather than responding to the subjectively defined immediate demands of individual members of the elite, or particular elite organizations, is even more essential.
-



Reconceptualizing the Developmental State

- 3) “**Embeddedness**” – the dense sets of interactive ties that connect the apparatus of the state, administrative and political, to civil society – becomes more important and must **focus on a broad cross-section of civil society** rather than focusing simply on industrial elites.
-



Reconceptualizing the Developmental State

- 4) The problem of state effectiveness is more clearly a **political problem**, and state-society relations are at the heart of the politics involved.
-



Empirical Comparisons of Capability Expansion 3 Pairs of National Trajectories

- 1. South Africa – Brazil:**
- 2. China – U.S.:**
- 3. Korea – Taiwan:**



National Trajectories of Capability Expansion

1. South Africa – Brazil:

The divergent capability performance of two apparently similar, major developing countries.

Both start out with historically high levels of Inequality. Neither grows at a high rates in the 1990's or 2000's. Yet Brazil does much better at inequality reduction and capability expansion.



National Trajectories of Capability Expansion

2. China – U.S.:

**The curiously convergent, disappointing
capability expansion performance
of rising and declining hegemons**



National Trajectories of Capability Expansion

3. Korea – Taiwan:

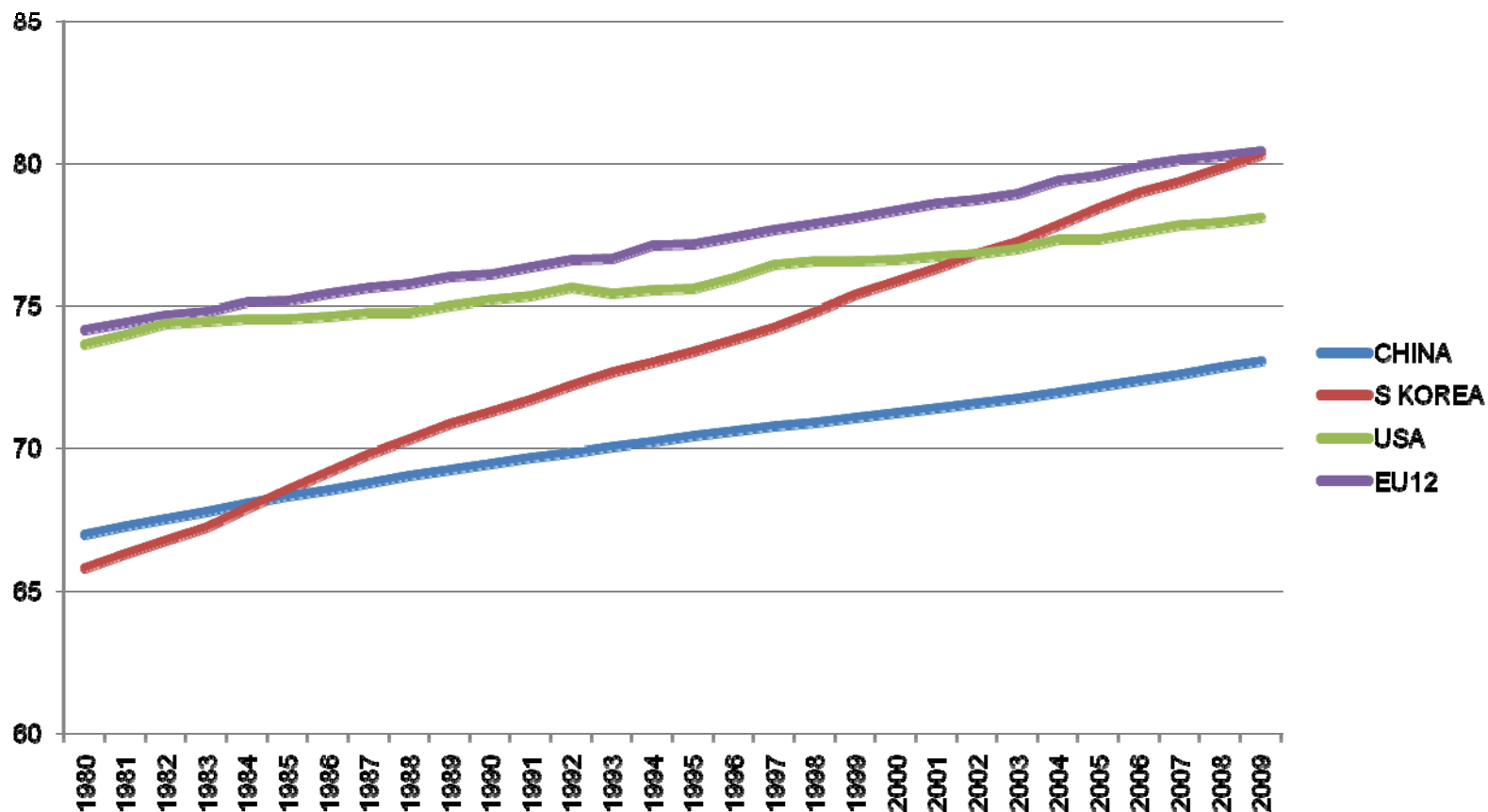
How can we explain their shared unusual success at capability expansion?



Some Data:
National trajectories
life expectancy
&
inequality

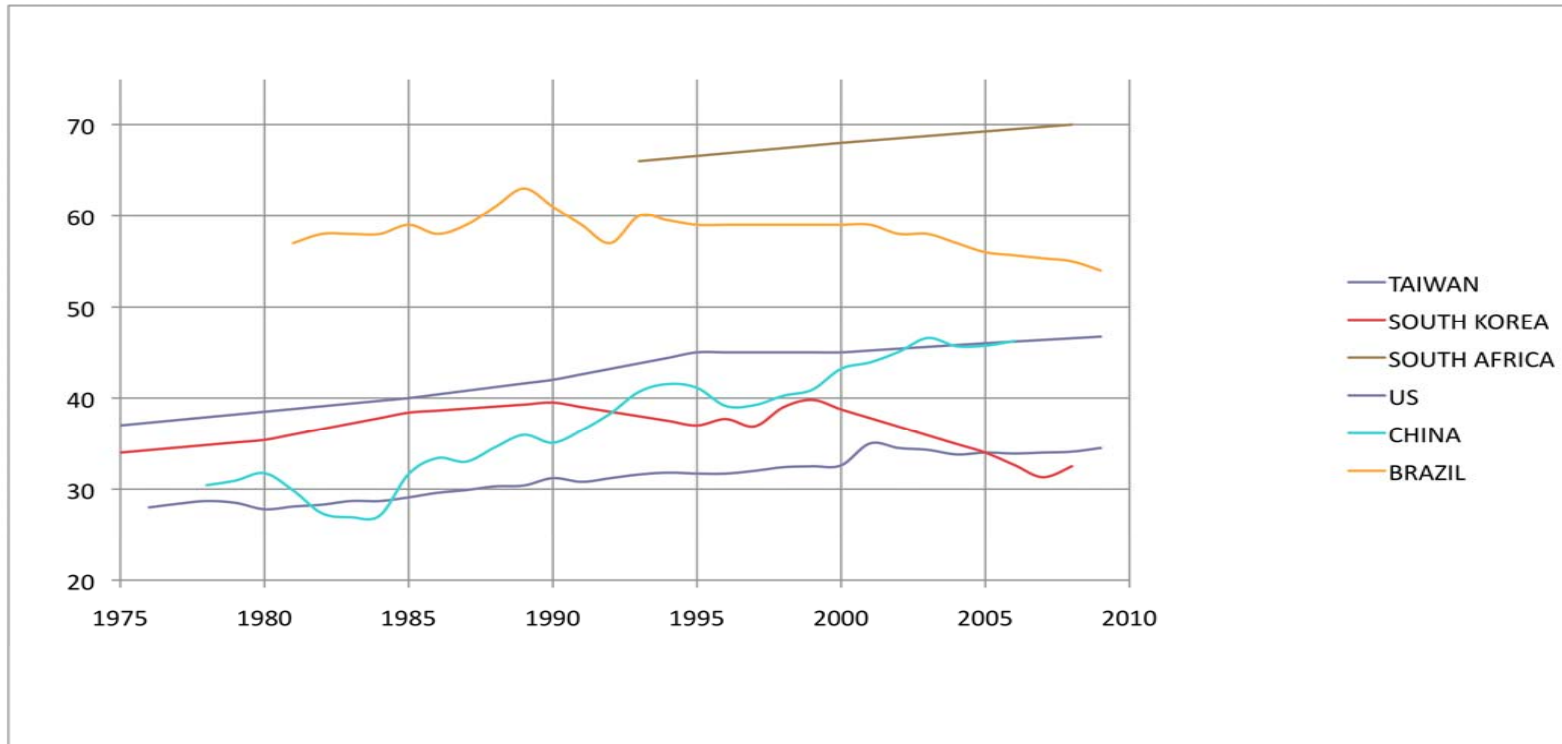


Comparative National Trends in Life Expectancy (Evolution of Life Expectancy at Birth – 1980- 2009)



Divergent Trends in National Inequality

(Evolution of Gini Coefficients – 1975- 2008)



DATA SOURCES:

Taiwan: Major Figures of Family Income and Expenditure, National Statistics, Republic of China (Taiwan)

South Korea: "Republic of Korea: Four Decades of Equitable Growth", World Bank report. Data from Family Income and Expenditure Survey, National Statistical Office

US: OECD data, 1975-2005; Census Bureau data from American Community Survey, 2010.

Brazil: World Development Indicators and Global Development Finance. World Bank data bank.

South Africa: Leibbrandt, 2010. "Trends in South African Income Distribution and Poverty since the Fall of Apartheid", OECD Social, Employment and Migration Working Papers, No. 101, OECD Publishing. Data from SALDRU 1993, IES 2000, NIDS 2008.

China: Chen, J., et al. 2010. "The Trend of the Gini Coefficient of China". Brooks World Poverty Institute. Data from China Statistical Yearbook and other sources.



Explanations for National trajectories??

**Do they make sense in terms of different
patterns of state-society relations?**



Explaining Trajectories of Capability Expansion The Heller Thesis: South Africa vs Brazil:

South Africa: civil society organizations representing ordinary citizens have “become estranged from political society”

- see Patrick Heller, 2011: “Towards a Sociological Perspective on Democratization in the Global South: Lessons from Brazil, India & South Africa”



Explaining Trajectories of Capability Expansion **The Heller Thesis: South Africa vs Brazil:**

Brazil: a “relatively autonomous civil society that can effectively engage the state” has generated “clear instances of civil society projecting itself into the state to shape policy” and “the institutionalization of a wide range of participatory structures and the strengthening of local democratic government”

- see Patrick Heller, 2011: “Towards a Sociological Perspective on Democratization in the Global South: Lessons from Brazil, India & South Africa”



Explaining Trajectories of Capability Expansion South Africa: The Arrighi corollary

1) The South Africa state has chosen to focus on building a multiracial capitalist class rather than taking the windfall profits and have accrued from the current resource boom and investing them in capability expanding collective goods.

See: Arrighi, Giovanni, Nicole Aschoff , Benjamin Scully. 2010. "Accumulation by Dispossession and Its Limits: The Southern Africa Paradigm Revisited" *St Comp Int Dev [SCID]* 45:435



Explaining Trajectories of Capability Expansion South Africa: The Arrighi corollary

2) As a result South Africa has:
“forfeited the kind of investments in the welfare of the population (housing, public transport, health and, above all, mass lower and higher education) that would have been Key developmental objectives in themselves and may well be the most essential, though by no means sufficient, condition of renewed economic expansion.”

See: Arrighi, Giovanni, Nicole Aschoff , Benjamin Scully. 2010. “Accumulation by Dispossession and Its Limits: The Southern Africa Paradigm Revisited” *St Comp Int Dev [SCID]* 45:435



Explaining Trajectories of Capability Expansion China – U.S.:

**What do these two dissimilar hegemon
have in common?**

**In both countries, the neo-liberal era saw capital
gaining increasing political access to the state.**



Explaining Trajectories of Capability Expansion

China + U.S.

Examples of the Arrighi Corrolary??

In China, private capital had been politically excluded prior to the 1980's (in so far as it existed at all) but has now become a political participant, particularly at the local and regional level.

In the United States, a political system in which various groups in Civil society competed politically to shape state policy was gradually replaced by one dominated by capital.

[see for example: Hacker and Pierson (2010) or Johnson (2009)]



National Trajectories of Capability Expansion Korea

(and the similar evolution of Taiwan)

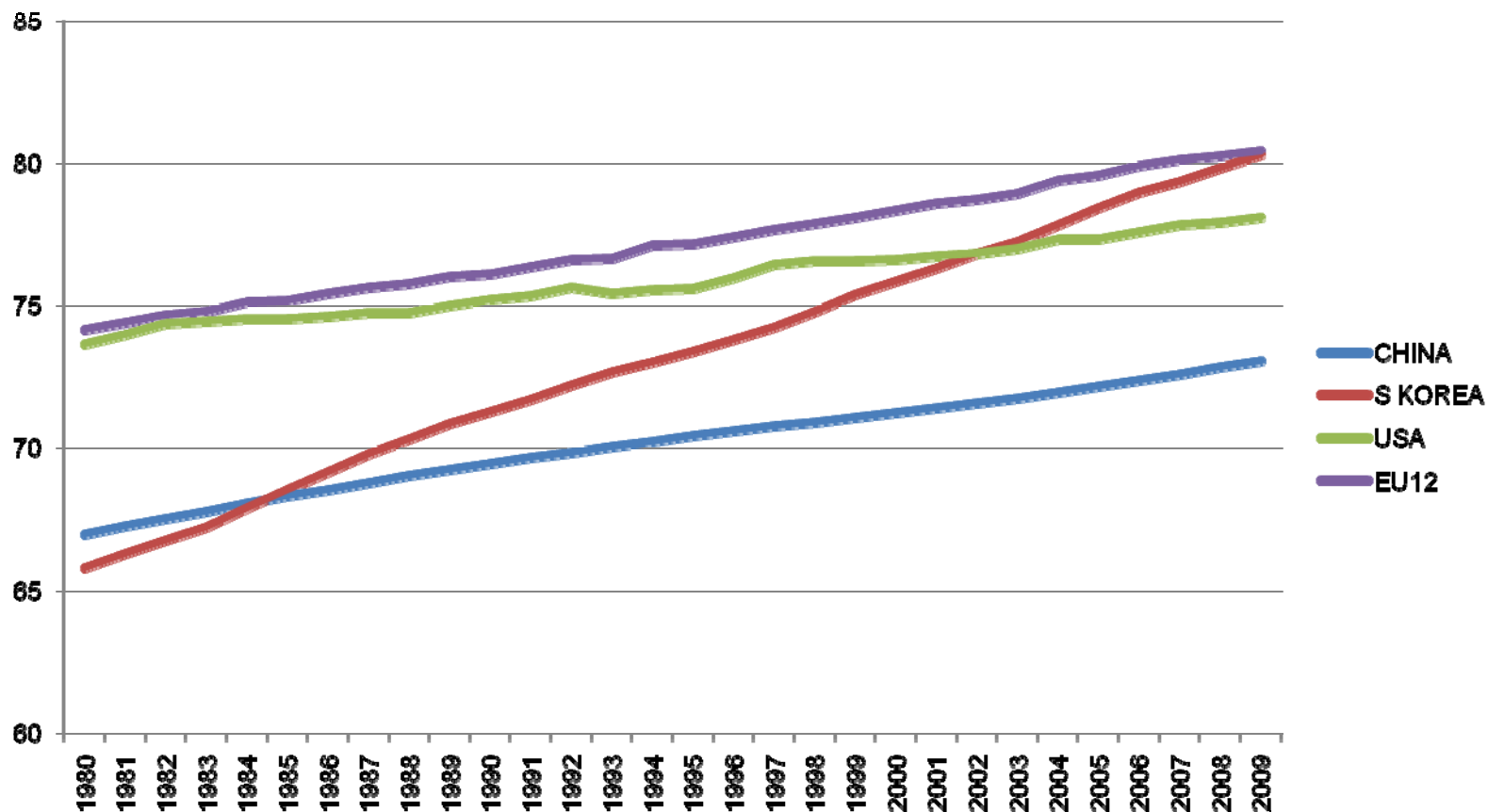
How can we explain successful
capability expansion?

Does the Heller thesis work?



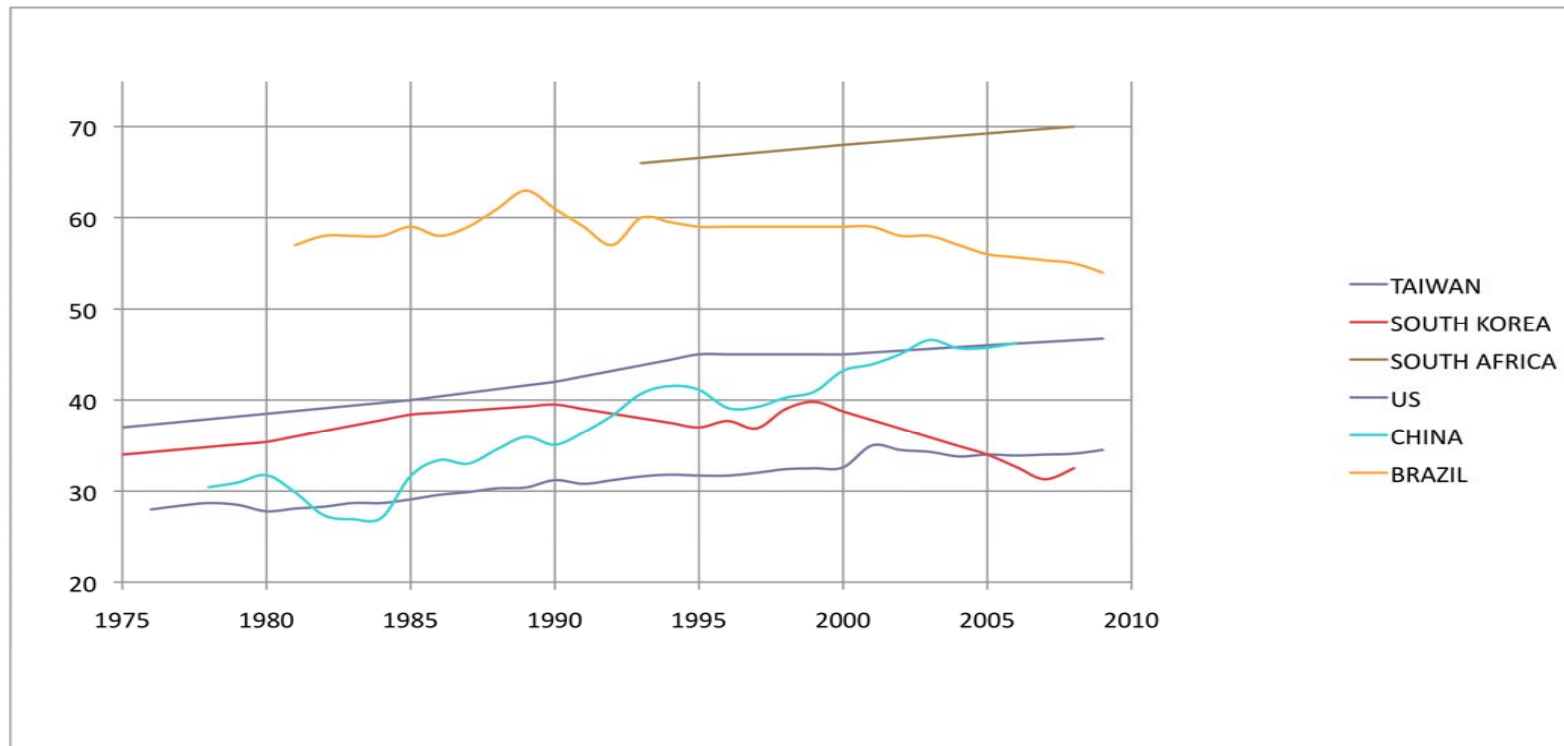
Comparative National Trends in Life Expectancy

(Evolution of Life Expectancy at Birth – 1980- 2009)



Divergent Trends in National Inequality

(Evolution of Gini Coefficients – 1975- 2008)



DATA SOURCES:

Taiwan: Major Figures of Family Income and Expenditure, National Statistics, Republic of China (Taiwan)

South Korea: "Republic of Korea: Four Decades of Equitable Growth", World Bank report. Data from Family Income and Expenditure Survey, National Statistical Office

US: OECD data, 1975-2005; Census Bureau data from American Community Survey, 2010.

Brazil: World Development Indicators and Global Development Finance. World Bank data bank.

South Africa: Leibbrandt, 2010. "Trends in South African Income Distribution and Poverty since the Fall of Apartheid", OECD Social, Employment and Migration Working Papers, No. 101, OECD Publishing. Data from SALDRU 1993, IES 2000, NIDS 2008.

China: Chen, J., et al. 2010. "The Trend of the Gini Coefficient of China". Brooks World Poverty Institute. Data from China Statistical Yearbook and other sources.

Evolution of Infant Mortality Korea and China 1960-1999

	Infant Mortality Rate (per 1,000 live births)						
	1960	1981	1991	1999	Annual Rate of Decline (% per year)		
					1960-81	1981-91	1991-99
China	150	37	31	30	6.7	2.0	0.0
South Korea	85	33	23	8	4.5	3.6	13.2

Source: Dreze, Jean and Amartya Sen. 2002. *India: Development and Participation* Oxford University Press [2nd edition] Table 4.3 pg. 125



Explaining National Trajectories of Capability Expansion Korea

Most analysts agree that increased levels of social protection and delivery of capability enhancing public goods are related to increased possibilities for political action on the part of civil society, beginning in the late 1980's.

For example: Wong (2004); McGuire (2010); Dostal (2010).



Explaining National Trajectories of Capability Expansion Korea (cont)

Therefore Korea and Taiwan can be considered possible cases in support of the Heller thesis, but they are cases in which the processes of engagement of civil society with the state are less well studied and less well understood than in Brazil and South Africa.



Two Simple Conclusions

1. The effectiveness of the state in promoting capability expansion does seem to depend on:
 - a) the ability of civil society to engage the state and
 - b) the ability of the state to operate with some degree of independence from capital.



Simple Conclusions 2

2. Korea's extraordinary performance with regard to capability expansion during the last thirty years makes it a key site for research aimed at refining this hypothesis.



Thank you