

DEVELOPMENTAL STATES IN EAST ASIA: A COMPARISON OF THE JAPANESE AND CHINESE EXPERIENCES*

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In the aftermath of the East Asian crisis and Japan's prolonged economic downturn, many observers considered that East Asia's distinctive model of state-led development had become redundant and irrelevant. And yet not only have aspects of this model persisted in Japan despite attempts to reform it, but China is actively embracing elements of neo-mercantilism and state interventionism that owe much to the Japanese exemplar. Even more strikingly, China's success and the influence of the "Beijing consensus" are encouraging other countries to follow suit. This article explores the trajectory of East Asian forms of developmentalism and suggests that reports of their death may prove premature.

Key words: Economic development in Asia, East Asian politics, China, Japan

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Introduction

The economies of East Asia have attracted the attention of scholars and policy makers for decades. Rightly so, although some observers may have become blasé about, if not bored with, the story of the “Asian miracle.” The rise of Japan and more recently China remain remarkable, unparalleled—largely optimism-inducing events of enormous long-run, geopolitical significance. But it is not just the fact of Japan’s and China’s unprecedented economic expansion that has been noteworthy, it is also the manner in which it has been achieved. What has really set the most successful East Asian economies apart, and what has given them a wider significance in debates about economic development and public policy, has been the role of government. The “developmental state” pioneered by Japan, which was emulated with varying degrees of faithfulness and efficacy elsewhere in the region, became synonymous with East Asia’s rapid economic expansion and emblematic of the region’s distinctive approach to economic management.¹

The precise impact of the developmental state in actually accelerating economic growth or in “deepening” the extent of subsequent industrialization in either Japan or elsewhere remains uncertain, contentious, and indicative of our imperfect understanding of such processes.² However, even among those observers who are prepared to acknowledge that a powerful state apparatus may have played an important role in overseeing and directing the course of Japan’s post-war economic renaissance, there is a widely held view that in an era of growing cross-border economic

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1. Alice H. Amsden, *The Rise of “The Rest”: Challenges to the West from Late-Industrializing Economies* (Oxford: Oxford University Press, 2001). It should be noted that there is also an extensive literature that considers the developmental experiences of South Korea, Taiwan, Singapore, and even Southeast Asia, but this lies beyond the scope of this article. For an overview, see Mark Beeson, *Regionalism, Globalization and East Asia: Politics, Security and Economic Development* (Basingstoke: Palgrave, 2007).
 2. Charles Kenny and David Williams, “What Do We Know About Economic Growth? Or, Why Don’t We Know Very Much?” *World Development*, vol. 29, No. 1 (2001), pp. 1-22.