Fetishised State and Reified Labour
A critique of the developmental state theory of labour

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Introduction

As Ben Fine suggested in the introduction to this volume, the predilection to set up an opposition between state and market resulted in ‘downplaying the role of class’ in analysing development. Indeed, this has much more serious implications for labour than for capital. This chapter aims to develop a critique of this specific problem of developmental state theories a step further by looking at the impact of this particular setting of development discourse on ‘labour’ in detail. I will argue that the problem of the developmental state theories is not a matter of lacking emphasis on class but the de facto dissolution of the concept of class through the abstraction of ‘classes’ from class relations. Based on the sociological deconstruction of class relations, developmental state theories are incompatible with the contradictory concept of labour that is both abstract/dead and concrete/living labour at the same time. As a consequence, the state in developmental state theories only reflects relations between commodity owners who lack any imminent reason to be the agent of social change. We will illuminate that the concept of the developmental state can be derived only with a particular understanding of labour that is disempowered and depoliticised. It is argued that statist development policies are essentially anti-labour in that they fetishise the state and thereby contribute to building a barrier to the attempt of the labouring population to bring about alternative social relations and more democratic development. The first part will show how developmental state theories mystified the state in the developmental process by taking a one-dimensional approach to state-society relations. It will be argued that a form of the capitalist state can be fully grasped only in relation to capital relations that the very form of the capitalist state is politically mediating and expressing. The second part will then address how the particular setting of state-society relations in developmental state theories abstracts classes from class relations, reducing class to a group of owners of a particular source of revenue or a sociological agent at best. It will be argued that a proper understanding of the form of the capitalist state in capitalist development needs to bring labour back into the analysis of development and the state. The third part will develop a historical critique of existing expositions of East Asian development with particular focus on the internal and external dynamics in which capitalist states in Japan, Korea and Taiwan have taken a particular form that provides a basis for the myth of the developmental state.

1. Emergence of the state-theory of development

State, capital and society in developmental state theories

In development discourse, developmental state theories enjoy popularity for being the only ‘realistic alternative’ to the neoclassical exposition of economic development. This popularity has been earned through their protest to the free-market theory of development from major international financial institutions. Although the origin of developmental state theories can be traced all the way back to state interventionism in the earlier stage of capitalist development, the developmental state as a consolidated
theory of economic development, as a theory of the capitalist state and as a model of economic development has emerged from the debates on the role of the state in East Asian development. The debate about the existence of a specific form of the state in Asian newly-industrialising countries (NIC) began with the critiques of the neoclassical account of East Asian economic development. The neoclassical approach explains the successful capitalist development of Asian developing economies in terms of factors to link free markets with higher growth in particular developmental processes. In these accounts, the market appears to be the culmination of human economic rationality and the development of human society. The basic social relation of market society (Commodity-Money-Commodity) is regarded as a social reproductive mechanism that does not need to be compensated by an external political force which tends to lead us to rule by tyranny and unnecessary concentration of power in the hands of state bureaucrats. In neoclassical theories, the state is seen as ultimately irrational as it can reflect only particular interests. It is only through the markets that individuals’ economic rationality can materialise. In accounting for the Asian NICs, the neoclassicals therefore choose to focus on the state’s role in succumbing to the rule of market rationality in economic development without being subordinated to particular interests. Indeed, the neoclassical approaches fail to provide an ‘explanation’ of the ways in which particular state interventions are made, and the reasons why particular forms of state come into existence in Asian NICs in the real social context.

From the 1980s, the neoclassical approach to East Asian development faced challenges from a new generation of ‘statists’ who placed the state back on the centre stage in accounting for economic development (Amsden, 1989; Johnson, 1982; Haggard, 1990; Wade, 1990). Focusing on the significance and relevance of industrial policies in economic development, they tried to show that the state could play its own role far beyond that of the liberal state, i.e. that of perfecting the market. In certain conditions that can provide the state with autonomy from society, economic growth can rely heavily on industrial policies of an interventionist government to get ‘the prices wrong’ (Amsden, 1989, p. 149) or ‘govern the market’ (Wade, 1990) in favour of national economic aims. The developmental state then is a state with capacity, institutional strength and ‘determination’ for taking advantage of these conditions for the successful introduction and implementation of such industrial policies.

Theorisation of the developmental state relies largely on empirical studies of East Asian states that focus on the conditions of successful state promotion for capitalist development. In doing so, those studies introduce many variables. These variables are meant to be used to address state-society relations of these East Asian countries and indeed ‘class’ is one of the variables. At a glance, statist attempts to theorise state autonomy in the development process appear to integrate social classes and use ‘class analyses’ as a part of its analytical framework. However, it is important to notice that state-society relations presented by the developmental state theories are distinguished from state-society relations in existing class-based state analyses, as is their concept of ‘class’.

1 Although class-based theories define class relations primarily as ‘economic’ relations of exploitation and theorise the state largely within the economic/political dichotomy, these existing theories take into account the relation between class relations and the state form. ‘Neo-colonial state monopoly capitalism’ theory for instance emphasises the class nature of the state based on the ways in which the ruling class extends its power into the state. The state’s authoritarian nature is strengthened by its
To understand this difference, we need to see first of all the particular composition of state-society relations in those empirical studies of so-called developmental states. Most of all the state-society relations include the state-capital relation that is identified by the domination of state-power over capital-power. The quintessential flaw in developmental state theories is that they define the form of capitalist states mostly, if not exclusively, on the basis of this utterly partial state-society relation. Statist literature devotes most of its space to developing an explanation of the nature of the relations between ‘private business’ and ‘government’ (Amsden, 1989; Johnson, 1982; Evans, 1995; Wade, 1990; H. J. Chang, 2006), effectively constraining discussions about the form of the capitalist state within the state-market dichotomy. This problem appears clearly when developmental state theories reduce state-society relations to state-capital relations and then to government-business relations. The essence of developmental state theories lies in this subsequent reduction process.

The dominance of the state over capital is the single most important condition for successful industrial policies that are in turn the most important evidences of the existence and legitimacy of developmental states. This particular state-capital relation is presented with plenty of empirical evidences. These evidences include state control over banks and other financial institutions, strategic and selective allocation of financial and other resources through governmental agencies, the effectiveness of macro economic policies of the state, and many individual success stories of industrial policy implementation at the firm and industrial levels. As far as this relation is concerned, the developmental state appears to be firstly a strong-disciplinary state that can regulate and guide private capital, taking strength from the ‘unusual degree of bureaucratic autonomy’ (Önis, 1991, p. 114). It is this political autonomy from the private sector that makes it possible for the state to ‘avoid becoming the captive of its major clients’ (Johnson, 1985, p. 81).

Here, an ‘authoritarian’ political regime that can exercise strong state power against other societal forces is a condition of the existence of a developmental state but not a sufficient one. Statists take different positions on this issue. Many point to authoritarianism as a necessary condition for a developmental state as it was on the basis of ‘an authoritarian, executive-based political structure’ capable of resisting ‘the feebleness of the legislature’ (Wade, 1988, p.159) that the economic decision-making.

‘dependent’ nature of capitalist development. Neo-colonial capitalist development is then driven by monopoly capital and supplemented by the state largely for the interest of the core imperialist countries and a very few ruling elites in developing countries. The authoritarian state is the superstructure of ‘dependent capitalist development’ (economic basis). On the other hand, the theory of ‘bureaucratic authoritarianism’ such as O’Donnell’s, offered a more sophisticated basis for the capitalist state in dependent economic development: the state is not a guarantor of an immediate interest of the ruling elites, but a guarantor of the ensemble of social relations that establish the elites as the dominant class. In other words, the state takes care of the ‘environment’ of capitalist domination rather than the interest of capital itself. From this perspective, East Asian states can be identified as the bureaucratic authoritarian state as they act to maintain an international order in which the local elites can reproduce their dominance over the societies by deactivating and excluding the previously active popular sector. The developmental state theory engages with none of those theories as the state’s political nature does not really matter as long as economic development is achieved. Developmental state theories strengthened the market-state dichotomy of the existing state theories rather than overcome it. It is largely due to the particular theorisation process of developmental state theories. These theories have been formed in criticising the neo-classical market-theory of development in East Asia and inherited the dichotomist approach from its counterpart.
bodies could be insulated from pressure groups. On the other hand, some statists such as Ha-Joon Chang and Chalmers Johnson argue that there is not necessarily a connection between authoritarianism and the developmental state (H. J. Chang, 2003, 2009; Johnson, 1999). Chang argues that the correlation is an element of the developmental state, found only in ‘a’ type of the developmental state that is the ‘industrial policy state’ in East Asia. Johnson also distinguishes ‘true developmental states’ from mere authoritarian regimes. These attempts to disconnect authoritarianism from developmental states seem to be motivated by an intention to make the developmental state into a fashionable development model particularly for developing countries. To suggest the developmental state as a model of economic development favourable to developing countries, the brutally authoritarian past of existing ‘developmental states’ must disappear with history. It is however odd to argue that the authoritarian feature of East Asian states is not an essential characteristic of the developmental state, as it was a name ‘invented’ to call those particular states in East Asia that were almost exclusively authoritarian with the arguable exception of Japan. Chang and Johnson seem to suggest that there can be and are many non-authoritarian developmental states (for example the Scandinavian states). Therefore, they apply the concept inducted from existing authoritarian states in East Asia to other interventionist states with democratic political regimes.2 In this way, the development state becomes a concept to describe effectively all the states that exist or existed in the history of capitalist development with a reasonable degree of economic development in their territories. In short, they derive a theory from the East Asian experience of authoritarian development, wrap it with democratic developmentalism and sell it to developing countries as an alternative democratic-and-developmental model.

Whether or not statists agree on the authoritarianism-developmental state nexus, statists generally agree upon the fact that the particular state-capital relation featuring developmental states is not one-way coercive relations. Defining the developmental state only in terms of the coercive power could be misleading. Developmental states not only exercise disciplinary power against private capital but also know how to work with private capital. Statists argue that instead of exercising its power excessively, the developmental state appears to show an ‘unusual degree of public-private cooperation’ and therefore ‘the coexistence of two conditions: the autonomous bureaucracy and co-operation between private sectors and the state’ (Önis, 1991, p. 114). In question is therefore a ‘specific kind’ of governmental autonomy vis-à-vis private capital. This particular autonomy has been theorised by Evans in terms of embedded autonomy of the developmental state and it is this autonomy that seems to caricature state-capital relations in East Asia’s developing countries (Evans, 1995). This is ‘an autonomy embedded in a concrete set of social ties that bind the state to society and provide institutionalised channels for the continual negotiation and renegotiation of goals and policies’ (Evans, 1995, p. 59).

One dimensional state-society relations

2 Although Ha-Joon Chang has a nuanced argument that authoritarianism is not an essential part of the developmental state, he also presents militarism as an acceptable option as long as it invokes development (Chang, 2006, p. 98). It is indeed highly problematic and dangerously legitimating authoritarianism (Berger, 2004, p. 212).
As Evans has noticed, the coexistence of the autonomous state with the tightly networked relations between business and bureaucracy is a ‘contradictory combination’ (Evans, 1992, 154) – how can the state be autonomous from private capital while working closely with it? The statists answer this question very simply by attributing it to the relative strength of the state bureaucrats over other social actors and strong ‘determination’ of the state for national development, for which they had to work with private capital. Now statists move on to identify specific situations and conditions that are portrayed as favourable to this relative strength of state bureaucrats. The Cold-War world order for example is said to have unlimitedly legitimated government leadership leaving it with no choice but the pursuit of market-based development (Johnson, 1985, p. 71; Evans, 1992, p. 164). Japanese colonisation on the other hand, gave East Asian states an interventionist characteristic. Similarly, the land reforms deprived the traditional landlord class of competitive power against the state (Amsden, 1989, p. 147; Evans, 1992, p. 164; Wade, 1990, p. 241); whereas a labour movement that could possibly have prevented state autonomy was absent (Wade, 1988, p. 159). Amsden also pointed to the ‘hyperactive student movement’ whose participants ‘mobilize popular support to keep the government honest’ (Amsden, 1989, p. vi).

However, these other dimensions of state-society relations are introduced mostly to show different ‘environments’ that helped the emergence of this particular autonomy whose potential existed in the mind of the state bureaucrats without regard to structural conditions. One of the dimensions of state-society relations introduced to those conditions is the state-labour relation that can be called ‘the developmental regime of labour relations’. Therefore, Amsden briefly described ‘weak labour’ as a condition of state domination over society (Amsden, 1989, p. 147). Johnson also did not forget to point out how ‘weak labour’ was socially engineered by government as a condition of successful state domination (Johnson, 1985, p. 75). Weiss and Hobson (1995, p. 164) removed the labour question altogether by describing weak civil society. Leftwich (2000, pp. 163-5) also argued that these ‘weak civil society forces’ were a condition of the strong state. Although statist literature appears to cover different dimensions of state-society relations, dimensions of state-society relations other than state-capital relations are brought into discussion only when statists try to explain the conditions on the basis of which the capacity of state bureaucrats and their strong determination for fast economic development can finally materialise.

Therefore, the induction of the particular form of the capitalist state from state-society relations is in fact based on one-dimensional analysis of state-society relations. Worse still, the particular nature of the state-society relations is often attributed to the internal characteristic of the state itself that in fact appears to create the conditions for autonomy by and for itself. It is the state itself which provides a vision and gives an institutional reality to the vision, and shapes the emergent coordination structure (H. J. Chang, 2003, p. 57). The fact that all other societal conditions are implicitly reduced in significance to mere events, yet without which the developmental elite’s ‘vision could not be implemented’ (Amsden, 1989, p. 52) is rather the result of the enthusiasm of the statists about the ‘brightness of the state bureaucrats’. It is not too difficult to recognise that the statist argument, in essence, derives the autonomy of the state from internal and organisational features of the state or even from some characteristics of the individual rulers such as Park Chunghee of South Korea or Chiang Kai-shek of Taiwan. Having subsumed other social conditions as mere
backgrounds of state acts and the insight of the elite-bureaucrats, the statists desperately attempt to derive a form of the state from the inner coherence and leadership of the state bureaucrats. The ability to negotiate policies with private groups either formally or informally without subordination to particular interest groups, appears here to be an incarnation of the bright bureaucrats selected through a ‘rigorous system of recruitment’ (Weiss and Hobson, 1995, p. 165). Perhaps for some statists, it is not the ‘quality’ of the state bureaucrats but ‘calculated political moves’ and ‘institutional innovations’ pursued by the top political leaders who were ‘no fan of the free market’, so much committed to ‘industrial upgrading’ and able to mobilise capitalists, farmers and millions of workers, i.e. the entire nation to work harder and faster for the renaissance of the nation (H. J. Chang, 2006, pp. 95-102). In consequence, in spite of the statists’ claim for a theory of the state looking into the socially-embedded characteristic of the state, the success of the developmental state is simply reduced to ‘the best and the brightest’ personnel (Evans, 1995, p. 51).

The crux of the developmental state theory takes departure from a state-society relation whose nature is seriously narrowed to one between a set of institutions and bureaucrats, and a group of businessmen. It undermines the claim that statists derived the particular form of the state from pure empirical studies of state-society relations in Asian NICs. Rather, they derived a particular form of the state from a particular angle of state-society relation and by looking only at a certain dimension of complex social relations to reach the conclusion that an interventionist state is good for development. In developing their empirical studies, statists firstly tend to identify the business-government relations with relations between ‘the state and capital’. Therefore, the organisational relation between government and business appears to be the state-capital relation. The concept of capital is then understood in its most vulgar form as ‘individual owners of a source of revenue’ rather than a social relation. In developmental state theories, capital therefore exists without regard to labour. In the absence of labour, the nature of relations between the state and capital becomes the nature of the relations between the state and society in full. This particular formula is possible only as far as capital-labour relations have no place in this theorisation. One of the striking aspects of statist theories is that the capital-labour relation does not even appear unless it is mediated by the state. The autonomous developmental state is in fact a result of systematic attempts to generalise government-business relations into state-society relations in utter abstraction from capitalist class relations.

2. Marginalisation of labour

Abstraction of classes from class relations

While statists do talk about the relations of the state to different ‘classes’ (capital and labour), they do not deal with the engagement of the state in capital-labour class relations (hereafter ‘capital relations’). This shows that ‘classes’ in developmental state theories are not ‘classes’ in a relational sense but ‘social groups’ with different economic functions. As capital and labour as social groups appear to be subordinated to the state which has a superior position in conducting capital accumulation, the state appears as if it were free from societal forces. The theoretical and methodological ground of this particular state theory is epitomised in the monumental work of Skocpol, Evans and Rueshemeyer in ‘Bringing the State Back in’, the task of which was putting the state ‘itself’ at the centre of the analysis of the state. This began with a
critique of ‘relative autonomy’ that was then a strong critique of the vulgar Marxian theory of the state, such as the ‘state monopoly capitalism’ theory in which the state appeared to be an immediate extension of class relations.\(^3\)

According to Skocpol (1985), relative autonomy is not a general feature of the state as not all capitalist states have the same generic form. In other words, not all of them are autonomous. They are all capitalist states but act quite differently and the reason for this should be addressed. Skocpol deals with this issue by looking not into the ways in which capital relations take different forms of states but into the organisational features of the given state. State autonomy is to be understood ‘only in truly historical studies that are sensitive to structural variations and conjunctural changes within given polities’ because ‘state autonomy is not a fixed structural feature of any governmental system’ (Skocpol, 1985, p. 14). State autonomy is then described as a sort of potential depending on the organisational features of the given state. The state can act, if it wants to, for the state itself or for the national interest or for the interest of particular social groups.

Autonomy of a state is then presented as a ‘choice’ of a state rather than a result of interactions within the conflict-ridden capital relations. This theory appears to emphasise ‘particularity’ of individual states. However, it turns out to be a universalist argument in that the state, any state, has the inherent potential to have ‘organisational’ autonomy as ‘a set of organisations through which collectivities of officials may be able to formulate and implement distinctive strategies or policies’ (Skocpol, 1985, pp. 20-1). In doing so, it effectively gives the state a ‘transhistorical’ nature without regard to the social relations in and through which it comes into being. The state is not a relatively autonomous superstructure as in Poulantzas (1969, 1973) but rather possibly autonomous on the basis of ‘bureaucratic strength’ and coherence—therefore not necessarily subjected to the ruling class all the time. Here, what matters is not the relation between the ‘state’ and ‘class relations’ but the relation between the state and capital or labour as collective individuals. In this formula, all social categories are ‘abstracted’ from capitalist social relations to become ‘independent actors’. By making the state, workers and capitalists into individual actors and highlighting the state as a supreme social organisation, Skocpol’s formula effectively released the state from capital relations.

Indeed this does not mean it ignores individual ‘classes’. They do investigate the state’s relations to workers, on the one hand and its relations to capitalists, on the other. For instance, Evans and Rueshemeyer (1985) tried to offer a general theory of the capitalist state by addressing state autonomy in a way that is slightly closer to the neo-Marxist approach and, in so doing, dealt with class relations rather seriously. State autonomy is understood in principle as autonomy from the ‘dominant class’. They recognise the contradictory tendency of the state to appear in multiplicity in reality. The state can be an instrument of domination of a certain segment of capitalist class or the guardian of the universal interest, depending on the varying degree of

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\(^3\) The theory of relative autonomy offers a more sophisticated theory of the capitalist state by focusing on the systematic, rather than immediate relations between state and capital, the autonomy-centred theories are not problem-free. By recognising the autonomy of the political superstructure as one of the essential features of the capitalist state without criticising the way in which the state appears to be so, the autonomy-centred approach ironically ends up rendering itself similar to the developmental state theories in strengthening the reified image of the state being independent of ‘economic’ social relations.
state autonomy from the dominant class. The degree of state autonomy then depends on cohesiveness and coordination within the state structure, the relative strength of social forces and the state, and the channel through which the state works with the interest structure of society. In his later work on East Asian developmental states, Evans finally finds the ideal prototype of maximum autonomy (Evans, 1992, 1995). For him, the particular autonomy of the East Asian developmental states is based most of all on the ‘extraordinary’ leadership of the state in aggravating capital accumulation in East Asia.

The apparent limit of Evans’s seemingly class-based approach lies in the fact that the nature of the state is derived from the way in which the state relates to individual ‘classes’ rather than to ‘class relations’. In this way, the state’s leadership vis-à-vis the capitalist class can make the state a class neutral institution. This leads him to conclude that the developmental state is above class relations so long as it acquires extraordinary leadership over private capitals. In short, state leadership alone appears to Evans to be adequate to explain the remarkable independence of the state from capital and, furthermore from ‘society’. He conceptualised state autonomy by considering the state-capital relation as one between organisations comprising of state bureaucrats and businessmen, and the state-society relation as one between different societal forces taken as different societal organisations or ‘sets of individual-social actors’. In this formula, classes are abstracted from class relations and become ‘social groups’. Classes can be then discussed as individual social actors without reference to class relations. Labour and capital as classes are separated from each other and need to be related to the state to gain meaning. Relations between the state and class are presented as relations between different social actors, between the state and ‘classes’.

Worse still, their pluralist understanding of class relations allows them to take class relations as one of social relations between different groups of social actors. Class is one of many other social groupings that relate to each other horizontally. There is no difference between classes and other social groupings. Consequently, although the relations between classes and the state may be analysed, the relations between the ‘state’ and ‘class relation’ that was the major inquiry for more traditional state debates are no longer at the centre of state analysis. This ultimately allows them to bypass class relations in identifying forms of capitalist states. What is significant is that this version of state theory in a broad developmental state approach, in an attempt to overcome a crude form of economic basis and superstructure theory of the state, reduced the ‘capitalist class relation’ as the totality of social relations in capitalist society to relations between actors of different sociological groups. This means that they released a form from the totality. Class is not presented as ‘capitalist class relations’ that defines capitalist society as capitalist and establishes a particular form of social production and reproduction through mobilising social labour for making and realising profit. Theorisation of the state as a sociological actor does not show the state as a political form taken by the totality of class relations through antagonistic social interactions in which the state participates as one of those struggling actors and the result of which conditions the form of the state. It is this pluralist sociology of the developmental state that allows them to confuse capital with business, institutions with actors, totality with forms and class relations with classes of social actors.

Even though the separation of the political from the economic appears as a conclusion of empirical analyses, this is merely another expression of their theoretical problem.
What lies behind this mystification of the state is the abstraction of social institutions and actors from capital relations. For developmental state theorists, the Asian NICs offer extremely favourable examples to empirical analyses by demonstrating outstanding state leadership against individual capitals, thereby enabling them to assume the state’s separation from class and society. However, the nature of the state-society relation and the contradictory mode of existence of the capitalist state – the state appears to be separated from capital while serving capital accumulation - remains unresolved, unexplained, not even problematised. The narrowed-down and personified understanding of the state-society relation allows the developmental state theories to ignore this question. This question of the state and its relation to class relation is ‘dissolved’ rather than resolved. It is precisely on the basis of such a particular theoretical framework in which the state is completely entangled with class relations but at the same time can be ‘autonomous’ from capital that the developmental state can be defined as an autonomous state.

Developmental state as a fetish and the labour question

In these theories, particular characteristics of the state are not derived from specific articulation of the forms of capital relations, rather they are interpreted as if given by nature and pertained to the state as an innate possibility. In the end, the state is analysed on the basis of their appearances, not critiqued as a fetish and state autonomy becomes an essential feature of the capitalist state, rather than an object of the critique of its mystification. ‘Bringing the state back in’ seems to succeed merely in bringing the state back into the fetishised understanding of society. The state, historically established by unequal class relations, now appears to be class neutral and therefore appears as if it represents technically equal social relations and in doing so contributing to the reproduction of the unequal social relations. In this sense, the state is a fetishised form of social relations. It resembles capital being a fetishised social category. Capital that was brought into existence precisely on the basis of unequal class relations appears to represent fantastically equal relations of opportunity while the market appears to be a neutral place where those individuals with different sources of revenue have exchange relations for their own benefits. These social relations, presented both by the state and the market, are fetishised social relations. The state appears to represent impersonal and abstract human relations. The capital relation between workers and capitalists appears in the form of a relation between capital ‘as’ an economic category meaning (the owner of) a sum of means of production and one source of revenue; and labour ‘as’ a category showing (the owner of) a sum of labour power commodity as another source of revenue. Such replicated inversions reproduce the illusion of a ‘technically’ fair social reality without indicating the fact that capital is ‘a social relation’ through which a specifically capitalist exploitation occurs (Marx, 1978; Clarke, 1991). The capital relation appearing through the state form does not necessarily exhibit a fair exchange relation between money wage and labour commodity as another source of revenue. Rather, capital relations now appear to be politically equal relations between citizens who share universal citizenship without giving any formal clue of class difference. As much as

4 Hence it is impossible for the statists to see that the state is actually a fetishistic form of capitalist social relations through which unequal social relations are inverted into technical relations of individuals. For more discussions about the state as a fetishistic social form, please see D. O. Chang (2009) in which I discussed a critical reading of state autonomy on the basis of Marx’s theory of value.
neoclassical theory cannot overcome a crude understanding of social relations fetishised through capital-form, the statists are unable to overcome the fetishistic appearance of social relations through state-form. Instead, the statists have been doing nothing but praising this fetish, attributing to the capacity and autonomy of the state what were actually products of a sequence of historical interactions within class relations in which labour, capital and the state are contesting both at the national and global levels. For them, the state really functions very well as a fetishised form of capital relations.

Probably the first thing that needs to be mentioned to discuss the developmental state theory is this is not at all a theory of the state. As a matter of fact, the developmental state is a theory that poses a lot of problems if regarded as a theory of the state. It is essentially a false idea that one can define the form of the capitalist state without an investigation into the dynamics of living and dead labour. A form of the capitalist state can be fully grasped only in relation to capital-labour class relations that the very form of the capitalist state is politically mediating, mystifying and reinforcing. As far as the theory of the state is concerned, developmental state theories remain as a behavioural study of state bureaucrats. It cannot move beyond a behavioural study of social actors as it suffers from abstraction of classes from class relations. Worse still, all statist theories reviewed above do not even offer a behavioural study of workers. For them, there is nothing special about labour in those developmental states, nothing to investigate. Labour was simply subjugated to the social power of the state as a productive force to be mobilised.

What developmental state discourse offers is in fact a state theory of economic development. In this state theory of economic development, as mentioned above, capital exists without regard to labour. The consequence of the dissolution of class relations into sociological relations between social actors and groups has a lot more significant consequences to ‘workers’ than to ‘capitalists’. In the statist theory of economic development, labour appears to be most of all a mere input for production. On the other hand its characteristic as abstract labour being a basis of the existing social order and its unique characteristic as an agent of social change – as a consequence of the irresolvable contradiction between dead and living labour - are effectively denied. Labour is consequently depoliticised and disempowered. Depoliticised and disempowered labour is regarded as a development cost to pay or collateral damage at best. Statists maintain that labour needs to be handled nicely (if necessary and most likely in an authoritarian way) in order for the late developing countries to take full advantage of late development. Therefore, ‘only scattered attention has been given to the crucial role of labour in explaining the NICs’ rapid economic growth’ (Deyo et al., 1987, p. 42).

5 It is particularly the case for those who define the state exclusively in terms of industrial policies. Industrial policies cannot explain the state, nor could the state explain economic (under) development. As much as industrial policy is ‘a’ moment of the interactions of the state with society, the state is a moment of development. The attempt to theorise the state by looking into industrial policies and to explain development by looking into the state is destined to fail because they conveniently make immediate connections between industrial policies and economic development, often supported by ‘quantitative data’. In so doing, it turns a blind eye to the multiple layers of social mediation. An economy would under-develop without the state, but (absence of) the state cannot explain development of a capitalist economy. By the same token, industrial policy cannot explain the web of social interactions of which the state, however dominant it is, is a moment.
Indeed it is not only a matter of neglecting (or in a sense recommending by neglecting) the ultra-exploitation of workers and the state’s heavy involvement in pacifying labour relations. While labour is being treated as an input for production or a source of revenue in the arena of markets, labour tends to be presented as having no identity in the area of politics. The political manifestation of labour is, if described at all, contained strictly within the institutional politics of a liberal democracy, either through mobilising a ‘pressure’ group or by exercising the rights of individual citizens. The consequence is that labour attains a ‘bipolar identity’ in the market-state dichotomy. Once the contradictory form of capitalist labour manifests itself politically, it becomes something other than labour, something other than class struggle. ‘Labour’ may be an important criterion for statists too. However, this is the case only as long as labour is assumed only to have an economic function, i.e. as ‘labour power’ to be utilised for development. Labour appears not to have any role to play in history unless it secures institutional forms that are sociologically recognisable. Even for social struggles in which the working population takes a central role, these struggles are described as actions taken by a group of individual actors motivated by something other than being labour. So that as far as economic development is concerned, ‘development’ is presented as if it has nothing to do with labour’s non-productive function such as labour struggles. By the same token, state policy is presented as being shaped mostly by development-minded state officials and their ‘planning’ which has supposedly nothing to do with labour struggles even from the major industrial sectors. The very generous ‘causality’ made between the state’s political input and economic output is never made between workers’ struggles and socio-political output as if the former relation is ‘scientifically’ proven and the latter can be validated only by speculation. Just like labour gains its meaning only in relation to capital in the neoclassical approach, labour gains its meaning only if relating to the state in developmental state theories.

Again, the problem is not only that labour’s role in shaping state-society relations from which the existing developmental states emerged is presented as minimal (if the history suggests so) but also that, as this state-theory of economic development is becoming an alternative popular model to neoliberal development, it imposes a reinterpreted and predesigned role for labour in development. The real danger of developmental state theories lies in its implication for the workers in developing countries. As a matter of fact, this statist alternative can make a not too bad offer to individual capitals as the ultimate achievement of the so-called developmental state is indeed capital accumulation. As long as individual capitals cooperate with the developmental state within the reasonable guidelines of industrial and macro economic policies, capital does not have too much to lose. On the contrary, the labouring population needs to endure the extraordinary intensity of exploitation in the catching-up development process and even then there is no guarantee that successful capitalist development will transfer wealth to the labouring population. The statist alternative does not offer any solution for the workers to achieve this goal. Often they simply rely on the assumed link between economic growth and better general welfare for people as long as it is led by a developmental state – because the policymakers will soon notice the better distribution of wealth is in the national interest in general. Or statists may suggest labouring people join together to form an interest group so as to encourage the state to continue to be that way. An effective civil society might help the state to be non-corruptible or more accountable for the general welfare of the population. This is certainly a ‘political’ project for the working population, a project
of empowerment and political mobilisation. However, the statist alternative tends to keep silent on this matter. The role of labour is then to work really hard under the guidance of the state until a certain degree of capital accumulation has been achieved and then, while still working hard, participate with reasonable enthusiasm in social activities to moderately ‘remind’ the state leaders of the strong determination for national development with which they began their interventionist behaviour. In general, statist theories do not deal with the labour question.

Earlier studies revealing the conditions in which ‘commodity labour’ has been treated during the East Asian economic miracle, and the role played, even if passively, by labour and the state’s heavy involvement in the reproduction of class relations did not attract much attention from those statists (Deyo et al., 1987; Deyo, 1987, 1989; Koo, 1987, 1990). It was in fact the social power of labour that finally brought this mystification process practically to an end. Even long before the blooming of the developmental state theories, the conditions of the particular form of the state has often been threatened by labour to the verge of demystification as discontent of labour manifested in a number of different social conflicts including much enthusiastic participation of workers in the democratisation movement. This provoked a reconsideration of the role of labour in state formation and economic development in so-called developmental states and encouraged more sober studies that incorporated the labour aspect into development and state analysis.

For instance, inspired by the recent development of the labour movement in Korea, Eun Mee Kim’s work represents a serious attempt for a reconstruction of the developmental state theory based on the reconsideration of ‘labour’. For her, the emergence of the powerful labour movement shows the fact that ‘contradictions inherent in the developmental state are enough to instigate its own decline’ (Kim, 1999, p. 41). The self-destructive forces are driven by two inherent contradictions of the developmental state. Firstly, ‘the contradiction of institution’ diminishes the importance of economic functions of the state since other social institutions, notably the big South Korean chaebols, are encouraged and permitted to attain diversification and independent service provision. Secondly, the autonomy of the state also appears to have an inherent contradiction. ‘The state’s autonomy began to erode with its successful exercise of the autonomous power that in turn undermines its own basis which hinges upon ‘the underdevelopment of civil society’ (Kim, 1993, p. 232). In particular starting from the mid-1980s, labour had significantly challenged the state’s repressive labour policies, which was an important element of the late development of Korea (Kim, 1993, pp. 234-9, 1997, pp. 203-10). With this, Kim noticed that a comprehensive developmental state is in demise and being replaced by a ‘limited developmental state’.

Kim’s, unlike other statists’ arguments, does not remove labour from her analytical framework but attempts to put the development of a specific form of the state in the context of class formation. In Kim’s formula, labour appears to have at least the potential to be as strong an agent for social change as the state. It is in this sense that Kim’s argument offers us a better picture of the changing form of the state in relations with social forces including labour, rather than merely that between government and business. The changing global conditions of capital accumulation, as well as the national development of capital accumulation, are also taken into consideration.
Koo (1993) went further in this project of ‘bringing labour back in’ by pointing out that development economic theories ‘have rarely looked at labour as more than a factor of production or a factor of comparative advantage’ (Koo, 2001, p. 4). He rightly argues that developmental state theory tends to ‘exaggerate the autonomy and strength of the East Asian state and to interpret economic growth in isolation from other political and social changes’. For him ‘the notion of a developmental state’ can represent ‘only one facet of the relationships between the state and civil society’ therefore ‘it does not facilitate grasping with the totality of economic, political, and social transformations that the Korean people have experienced in modern times’ (Koo, 1993, p. 7). In understanding the development process, the more important area to look at is indeed ‘the human experiences of the working people’ in the factory ‘as highly exploited and abused workforce’ (Koo, 2001, pp. 4-5).

Both emphasise the exploitation of labour and the importance of emerging labour struggles as a significant challenge to the existing regime of development. However, Kim’s attempt at ‘bringing labour back in’ to the discourse of state formation and economic development remain utterly partial as state-society relations appear to Kim to ‘consist of’ two sets of institutional relations, one between state and business and the other between state and labour. Although Kim sheds light on the role of labour largely neglected by other statists, her framework remains that of a statist in the sense that she maintains the dual framework of the state-business (capital) and state-labour relation, rather than attempting to capture the state’s relation with capital relations. Kim’s argument has not challenged the analytical framework by merely replacing the empirical absence of labour with the empirical ‘uprising’ of labour. Therefore, it is only after the formation of the developmental state that labour finally attains importance. In terms of effort to re-integrate labour ‘empirically’ into the analysis, Koo’s analysis of Korean labour offers much more as it traces the neglected role played by labour throughout the formation of Korean society (Koo, 1993, 2001). However, he does not challenge the conceptual framework of the developmental state theory in the sense that he understands the state largely within the statist framework in which state, capital and labour all appear to be sociological actors who are however equally important (Koo, 1993, 2000, 2001). He is right to argue for a right balance between different actors including the state, capitalist and working class. However, he does not go further to overcome the theory of the state as a sociological actor and explain a political form taken by the totality of class relations through antagonistic social interactions in which the state participates as one of those struggling actors and the result of which conditions the form of the state. Therefore, he maintains that ‘the state clearly enjoys more autonomy from class power than is commonly assumed in Marxist literature, and it has played an independent role in the making and unmaking of classes’ (Koo, 1993, p. 5). It is important to point out that the integration of labour into the analytical framework, and the theorisation of the autonomous state cannot be compatible with each other. If labour is treated as a category that must be considered in understanding the trajectory of the form of the state and the state’s relation with capital relations, rather than capital ‘and’ labour distinctively, the concept of developmental autonomy can neither be the starting point of state analysis nor the essential nature of the capitalist state. State autonomy is rather an object of critical inquiry with regard to the mode of existence of the state, which has an essentially class character as an aspect of the social relations of capitalist production. A thorough critical review of the state needs to put back the state, which was once abstracted from the development of social relations and struggle by the theories of the developmental
state, into the historical formation of capitalist social relations. Indeed, this is a step forward to replace ‘state analyses’ based on the fetishised separation of social categories with ‘critiques’ of the state. To do so, we need to bring labour back into state analysis and see how it plays a constructive and deconstructive role in the formation and reproduction of capital relations and the state.

3. Bringing labour back in

Historical critique of the state in East Asia

In fact, labour played an important role in this particular capitalist development in East Asia. Labour indeed contributed to the fast economic development by selling labour power below the value of its reproduction, i.e. by being heavily exploited by capital under the auspices of the authoritarian state (Deyo et al., 1987; Deyo, 1987, 1989). But more importantly the labour-capital class struggle both in generic and organised forms, undeniably played a key role in defining the form of the state and the particular pathway of capitalist development. This was the case not only with immediate class struggle but also with class struggles in many other forms. Emerging discontents of labour and its disrupting potential, alone or in combination with other forms of social unrest was the key factor that urged early individual capitals to make a compromise with the state in exchange for the tight control of the state over collective labour in East Asia. This caused the politicised formation and reproduction of capital-labour class relations. Having said that, it is important to notice that class struggle is not only represented by industrial disputes. Class struggles were emerging in diverse forms and in particular in political forms as the formation and reproduction of capital-labour class relations was highly politicised in all East Asian countries. There are continuously emerging contentions caused by the collective self-activity of the working population in various forms that are not founded within the existing institutional politics and therefore appears to have no immediate role to play in consolidating these particular development pathways. It is through these struggles and contentions emerging from the contradictory mode of existence of capitalist labour that labour plays a key role in constructing and deconstructing social reality. What have been attributed to the capacity and autonomy of the state was actually the products of a sequence of historical interactions within class relations in which labour, capital and the state are contesting both at the national and global levels. The myth of a particularly ‘developmental’ state is a by-product of this historical process.

A critique of East Asian states needs to trace the historical development of capital relations as a whole through which the social domination of capital could appear in the form of an autonomous state, which attempts by any means to represent itself as the guarantor of the general interest of citizens. In doing so, we are able to overcome existing ‘state analyses’ based on the fetishised separation of social categories as ‘a historical reality in capitalist society, at least a real appearance’ (Wood, 1999, p. 23).

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6 However, this does not mean that a critique should devote itself to confirming the class characteristics of the state necessarily in the form of complete and direct capital domination. Rather, the critique also needs to trace the historical process through which the class character could also appear in the form of an autonomous state, which by any means attempts to represent itself as the guarantor of the general interest of the citizens. The development of the capitalist state should be studied as the development of a social form that is moving between the distinction from and the complement to the formation and reproduction of capital relations.
This historical critique can penetrate into the mystified forms by looking at the ways in which those social categories are constructed and reconstructed as moments of the formation of capital relations. In this historical critique, developmental autonomy’ is not taken as the nature of the state but is understood as a superficial aspect of the development of *particularly articulated capital relations*. Here, ‘the particular articulation of capital relations’ refers to the specific way in which the relations of capitalist value creation and realisation and reproduction of the relations are socially organised and reproduced. This articulation is moulded by and subjected to class struggle, on the one hand, and conditions further class struggle by providing workers and capitalists with the basis for continuing class struggles. While a particular form of capitalist state is understood as a particular node of the specifically articulated capital relations, the state is at the same time a subject of class struggle, the result of which in turn conditions the further development of the articulation. It is in this sense that understanding the development of class struggle forming the particular composition of capitalist social relations is the most important part of the critique of East Asian states. In this way, a particular form of capitalist state can be explained not as an entity abstracted from capital relations, but a form in which capital relations appear and exist.

Having said that, a historical critique of the developmental state does not rely on the simplified general theory that a nation state is formed entirely by the results of domestic class struggle. It is because the national state as a moment of national capital relations does not exist separately from global capitalist development. Rather national capital relations exist only as a node of the global social relations as a whole. A capitalist state is a moment of global capital relations. It is formed through many interactions and contexts in which its own acts are conditioned by and contribute to the making of the global whole. These conditions and contexts cannot be regarded as direct results of state actions. Therefore, the reproduction of the capitalist state as a moment of the reproduction of national capital relations is again conditioned within the development of the global relations (Burnham, 1997). Nonetheless, this does not mean that the development of global capital relations is a given *determinant* of the further development of national capital relations. Rather, the global capital relations come to exist as national relations only through the mediation of the development of the national class struggles occurring within and over the existing social relations. In class struggle, the temporary results of which reproduce the national capital relations, the state appears to continuously compromise the national capital’s interest with the development of global capital relations in the form of the development of in-and-out flow of capital, monetary control, commodity trade, regional conflicts, trade conflicts, foreign aid and foreign policies, etc, in attempts to reproduce the national relations in favour of better capital accumulation in their territory.

As far as East Asia is concerned, it was the Cold War that established a political geography of East Asian capitalist development. Second to this Cold-War context in East Asia, the post-war boom and new international division of labour also offered external conditions for the particular pathway of capital accumulation in the East. It was indeed only America’s East Asia that achieved a so-called economic miracle through the US-Japan-Asia triangular regime of accumulation and under the auspices of the US that offered those countries preferential access to the US market, official loans and financial aid. Japan played a secondary but essential role of providing machinery and other means of production, technology, loans and direct investment that in turn contributed to Japan’s trade surplus.
Japan’s recovery from the defeat of the imperialist war was indeed based upon the newly emerging Cold-War order over the Pacific. First of all, it was a mini-boom during the Korean War that jump-started Japan’s economy. Special procurement from the US government for war supplies greatly contributed to recovering the industrial capacity of Japan quickly up to the pre-war level – accounting for 60 and 70 percent of total exports in 1952 and 1953 respectively. The US ‘secured’ provision of oil and food for Japan while keeping a large military presence in Japan. Japan’s industrial capacity grew fast and became a major producer for light goods and light machinery for the Asian market. Later it moved on to automobiles, electronics, shipbuilding and other capital intensive industrial goods, more for the US and European markets.

Taiwan and Korea faced great difficulties in initiating development after civil wars against communists. Korea faced a total destruction of infrastructure and productive capacity during the three-year Korean War while Taiwan suffered from severe inflation as well as a massive influx of 1.5 million mainlanders to replace Japanese rule which left behind abandoned productive facilities. Lacking financial resources to rebuild economies, they had to rely on capital inflow from outside - largely the influx of foreign aid from the US that enabled them to overcome post-civil war difficulties. Taiwan received US aid from 1951 till 1965 that totalled US$4 billion. Korea also received a total of US$ 5.7 billion aid from the US. On top of economic aid, both countries had received an astronomical amount of military aid in the early period of development that indeed secured US influence in both countries.

While the Cold War established a political geography of America’s Asia, the post-war boom and the emerging new international division of labour was offering opportunity for fast capital accumulation in the East. However these external conditions were not sufficient for fast economic development but yet were taken advantage of by East Asian countries. Taiwan, Korea and Japan were able to take advantage of different aspects of these external conditions on the basis of the particular articulation of capital relations that had been formed through particular world historical events and class struggles, a partial picture of which has been captured by ‘developmental state theories’. It is through this historical process that the states in East Asia took a particular form. Overcoming developmental state theories requires us to review this historical process with a particular focus on labour. A thorough reconstruction of this history is beyond the scope of this article. However, it is important for us to see some historical moments in which labour was pushing the state and capital into a constant move in search for different modes of the articulation of capital relations.

Of course, the international division of labour was itself based on a particular form of articulation of capital relations and particular form of social labour at the global level. The post-war boom was organised on the basis of ‘Fordist production’, supplemented by the Keynesian welfare state and (temporary) social consensus between unions, state and capital for better productivity and distribution. General features of Fordist production, including standardised products and components, and mechanised production, and Taylorist management were transferred to developing countries in East Asia through the new international division of labour. During the post-World War boom, a new international division of labour was being formulated by off-shore outsourcing and foreign direct investment and it was through this division of labour that East Asian industrialisation was launched. In East Asian developing countries, fragmented tasks and repetitive works were imposed on workers through strict labour control by employers backed by authoritarian states, rather than by a social consensus. Munck (2002) summarises this particular social arrangement of production in terms of ‘bloody Taylorisation and peripheral Fordism’.
In the case of Japan, there is a myth that the entire trajectory of development has been moulded by the state after the Meiji restoration. However, the restoration, the form of the post-Meiji Japanese state and post-Tokugawa reforms were not entirely based on a decision taken by the brilliant state bureaucrats to begin with. It was a ‘response’ of a segment of the ruling elites to the deconstruction of the Tokugawa system caused by the increasing external pressure from the Western empires, spreading capitalist commercial and industrial activities, and the impoverishment of the rural population and subsequent manifestation of discontent of people at the lower strata of society.

The state, established by a revolution from above, has never been free from capitalist class relations ever since. The early capitalist development in Japan was then led by the desire of state-bureaucrats to make Japan into an Eastern empire in response to imperialist pressure from the West and large individual capitals who wanted to be capitalist masters by expanding their capital accumulated through commercial activities from the late Tokugawa era. Early *zaibatsu* were engaged in politics as much as the state was involved in capitalist development and there was a close relation firmly established between the state and large-scale individual capitals. At the beginning of this new capitalist drive, the state and capital did not face strong challenges either from new workers or from the farming population in rural areas. However, they began to face collective protests from the collective endeavour of labouring people, both workers and peasants, to confront and change the way in which their labour power and products were socially mobilised, utilised, consumed and appropriated as early as the 1880s (Garon, 1987, p. 16). Workers often escaped from extreme exploitation by simply returning to their hometowns or organising unnoticed walkouts (Garon, 1987, p. 16; Gordon, 2003, p. 102).

The state began to intervene in capital-labour relations with heavy-handed methods by introducing the Police Security Act that rendered trade unions illegal in 1900. A more organised form of labour movements began to emerge in the meantime. The *Rodo Kumiai Kiseikai* (Association for Encouragement and Formation of Trade Unions) was created in 1897 and supported union organising with reformist ideals. Another attempt to mobilise workers materialised with the establishment of the *Yuaikai* (Friendly Society) in 1912 which later developed into the first real confederation of unions, *Sodomei* (the Greater Japan Federation of Labour) in 1919. Although the early labour movement organisations had moderate reformist orientation, labour disputes steadily increased in the early 20th century particularly in metal, mining and textile industries, participated in by both male and female workers. In Tokyo alone, there were 151 labour disputes between 1987 and 1917. It was a steep increase in comparison to 15 labour disputes between 1870 and 1896 (Gordon, 2003, pp. 134-5). Labour disputes reached a peak in 1919 with 497 solidarity strikes and 1,892 other labour disputes not involving strike action (Gordon, 2003, p. 152). In spite of the non-legal status of unions, workers’ inspiration to change the status quo was high enough to organise eight percent of the Japanese workforce by 1931 (Gordon, 2003, p. 153). On top of the struggles of manufacturing workers, the state faced protests from the peasant population who suffered from both traditional tenancy relations with landlords and the emerging capitalist market economy which was radically reorganising traditional ways of living in rural Japan. Thousands of tenant disputes on various scales were reported between 1923 and 1931 (Gordon, 2003, p. 147). Those movements developed hand-in-hand with more politically oriented movements that
absorbed an increasing number of the working class population. The democratisation movement and people’s rights movement (1870s-1880s) emerged and pursued constitutional democracy. In response to these developments, the Meiji government introduced constitutional monarchy rather than constitutional democracy. In 1897, the Universal Suffrage League (Futsu Senkyo Kisei Domeikai) was created. Students, intellectuals, journalists and labour unions, influenced by democratic, socialist, communist, anarchist and other Western schools of thought, mobilised large-scale demonstrations in 1919 and 1920. The Communist movement was also gathering support with the establishment of the Japanese Communist Party in 1922. Interestingly, by the 1920s – the year Johnson identified as the starting point of the developmental state (Johnson, 1999, p. 37) – social tension reached its peak so that the reproduction of the early capital relation in Japan was only possible either by more democratisation or more radical reorganisation of society based on an extreme form of nationalism. The Taisho democracy9 and the following relaxation of political control reflected the former while Japan’s turn to the war effort and imperial expansion from 1930s shows that the latter option was won by the state and capital. Although popular protests were reshaping the early capitalist development in Japan, they were not strong enough to stop the general population from being pulled toward and controlled by ultra-nationalist movements and the right-wing military. The 1930s was dominated by right-wing violence and a coup. In 1940 all unions were replaced by the war-effort association ‘Labour Front’ and other forms of resistance to the rulers of modern Japan died out.

It was then Japan’s defeat in the Second World War and subsequent American occupation that reopen spaces for the Japanese working population to challenge the ways in which capitalist development was organised in the early 20th century Japan. Early occupation policies of the US military government focused on punishing war criminals and introducing liberal democratic institutions. The military and big businesses were major targets to be tamed. Zaibatsus were to be broken into small corporations through the Act for Elimination of Excessive Concentration of Economic Power in 1947. A radical land reform also dramatically decreased the number of tenant farmers. The government encouraged unions as a method of taming the huge zaibatsu. Union membership reached a record high 4,890,000 in December 1946. The unionisation rate reached 58.8 percent in 1949 with an organising campaign by Sanbetsu Kaigi (The Congress of Industrial Organization, communist, the biggest), Sodomei (The Japan Confederation of Labour, socialist), and Nichiro Kaigi (the Japan Congress of Trade Unions).

However, the occupying regime took ‘the reverse course’ as communism gained in China, Korea, Japan, Vietnam and many other countries (Cumings, 1987, p. 60) and began to suppress labour activism by cracking down on the general strike in 1947. Focus of the reconstruction policy changed from democratisation to economic growth and building Japan as a bulwark against spreading communism. No further

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8 In 1889 the Meiji government drafted a constitution based on the Prussian constitution and arranged for it to be given by the Emperor to the people. One percent of the population could vote for the Imperial Parliament which was again double-checked by the upper house members composed of the imperial family and other elites. Elected Diet members were mostly landlords, businessmen, professionals and former samurais.

9 The Taisho democracy introduced universal suffrage from the 1928 election. About 20 percent of the population could vote.
breakdown of zaibatsu was pushed and they were allowed to regroup. No further encouragement for the trade union movement was pursued. However, this did not put Japanese capitalist development back on track immediately. After the zaibatsu and state bureaucrats were back in business and office, they had to deal with what they had destroyed during the war period – strong unions such as the socialist Sohyo, massively organised workforces, the anti-American peace movement, the student and women’s movements, and the radical political parties taking advantage of the liberalised political space. Once strength was regained, unions utilised nationally coordinated strategies such as shunto (spring offensive). Protests against post-war arrangements for Japan to again become a rapidly developing capitalist country reached its peak in 1960 when the Japanese state faced waves of strikes and street protests against the US-Japan Security Treaty. In a desperate attempt to pacify these struggles, Japanese capital and the state needed to take a different pathway. More egalitarian development with better wealth redistribution began to be regarded as desirable and a particular set of relations between capital, state and labour started being shaped. The pursuit of more balanced development, one of the supporting arguments for the so-called Japanese developmental state, was, as Gordon pointed out, a part of political strategy that ‘had been worked out beneath the turbulent political surface for about a decade’ after the war (Gordon, 2003, p. 279). The new strategy left the reproduction of Japanese capital relations to be politically mediated. However the way in which they were mediated was different from the earlier period of development and also from the western counterpart of the welfare state. The Japanese state, rather than focusing on welfare provision, kept its focus on securing and yielding favourable conditions for capital accumulation while Japanese individual capitals, particularly the zaibatsu, distributed wealth through higher wages, corporate welfare and what is usually called the Japanese employment system. This proved to be an important moment for Japanese labour as it allowed male workers in the core industries to enjoy the so-called Japanese style labour relations while the hierarchical subcontracting chains left more vulnerable workers in harsh working conditions and low pay. This therefore functioned to decompose the Japanese working class from above which has proven to be very effective for Japan to achieve the economic miracle of the 1960s and 1970s. This development in 1960s and the earlier configuration of the state that Johnson described as a developmental state were both in fact products of class struggles in a particular global context of Japanese capitalist development, rather than an invention of the state. The politicised capital relations in Japan appear to be much less suppressive as they were based on a quasi-consensus between capital and labour. However, Korea and Taiwan where capital did not have the will or resources to share profits with workers, and politicised capital relations appeared in a crude form.

In Korea and Taiwan early capital relations were articulated on the basis of well equipped authoritarian state apparatus, internalised Cold-War sentiment legitimating rule by supra-constitutional measures, politically decomposed working class that allowed unilateral relations at the workplaces, and weakened power of the traditional landed class. In the 1950s, the social domination of capital was not fully established although aid-based economic development witnessed emerging local capital that was represented by either traditional landlords who survived post-war land-reform or new industrialists taking the opportunity in products processing aid for industries in Korea; whereas in Taiwan, it was largely KMT-owned businesses benefitting from the aid-based development. The state-intervened capitalist development began in the early
20th century with a particular context that this was pushed by ‘implanted’ colonial states of Japan. It was during Japanese colonisation that early capital relations in Korea and Taiwan began to take shape by separating the means of production and subsistence from peasants, turning traditional land-ownership to capitalist private property rights and most of all commodifying the products of labour as well as labour power.

While Japanese colonisation initiated serious capitalist development in Korea, it also accompanied specific colonial features. Integration of the mass of the population into capitalist wage-relations was so limited that the vast majority of the population still lived in rural areas, not as wage-workers employed in commercial farming, but as a surplus population earning their living within tenant-landlord relations. Labour relations in manufacturing sectors also in many cases featured feudal-like labour contracts, backed by surveillance and violence by police and security unions. This colonial development also determined the immature development of the Korean capitalist class, due to the lack of accumulation in the hands of Koreans during the colonial period. On the other hand, colonial development precipitated a strong anti-colonial labour movement. The first labour organisation was Joseon Nodong Gongjaehoe (the Korean Labourers’ Mutual Aid Association) established in 1920, which later led to the birth of the Joseon General Federation of Labour in 1924 - the first organisation agitating class struggles against Japanese capitalists and imperialism. Later it developed into two separate organisations for workers (Joseon Nodong Chong Yeonmaeng: The General Federation of Labour) and peasants (Joseon Nongmin Chong Yeonmaeng: The Korean Peasants’ Union). Marxist activists organised the Joseon Communist Party in 1925, which was small but influential in anti-Japanese struggles. In some specific sectors and industrial areas in which Japanese capital intensely invested, regional and industrial levels of struggle also developed throughout the 1920s. The strong legacy of the communist-driven labour movement sustained until the liberation. In the aftermath of the liberation in 1945, Geongukjunbiwiwonhoe (The Committee for the Preparation of Korean Independence) was quickly organised and declared the ‘People’s Republic of Korea’ in September 1945. Its attempt to put the previously Japanese-owned factories and land under their committees’ control was however stopped by the American occupying government. The labour movement continued to develop under the American occupation regime by organising Jeonpyeong (the Korean National Council of Trade Unions) in 1945 with 16 industrial unions and approximately 500,000 members.

However, those trade unions soon suffered from suppression and were made illegal soon by the US military. Furthermore, the strong basis of the radical labour and peasant movements was completely destroyed during the war by both regimes and the working class was decomposed. As Cho pointed out, South Korea after the war was an anti-communist regimented society (Cho, 2000) in which anti-communism became the most important basis for legitimate individual and collective behaviour. The post-war period then witnessed a particular class composition which consisted of the decomposed workers’ movement, critically declining power of landlords and an immediate alliance between the state and a few capitalists. The 1950s marked the beginning of the politicised formation and the reproduction of capital relations, through which the state regulated individual capitals and workers. However, the early politicisation of the formation of capital relations could not move beyond the
immediate alliance through which a few capitalists funded Rhee Syng-man’s Liberal Party and in return enjoyed highly exclusive allocation of raw materials from the US aid. The post-Korean War capitalist development was soon challenged by the student movement and growing social unrest, which achieved formal democratic reforms against the ‘corrupt’ government, in 1960.

The development of this specific articulation of capital-labour class relations culminated with the Park regime (1961-1979) which tightened the state’s control over collective labour through emergency decrees which nullified all existing workers’ rights by super-constitutional measures. Under the auspices of the state, individual capitals exercised unlimited authority at the workplaces. In spite of its extreme class characteristic and its maximised role in reproducing a specifically suppressive form of labour relations, the nature of the state appeared in the form of the subordination of individual capitalists to the authority of government, rather than in the form of the subordination of the state to the capitalists. Contrary to the Rhee Syng-man government, the military regime excluded from politics the capitalists who had been allied with Rhee Syng-man’s government and then put all individual capitalists under more ‘institutionalised’ control by nationalised banks and financial institutions. A new government agency, the Economic Planning Board, was set up as the institutional basis of the selective promotion of industrial investment in which the state allocated foreign loans to specific individual capitalists satisfying the government-planned developmental strategy. As a result, capitalist social relations in Korea were arranged in such a way that ‘the political’ regulated individual capital as well as labour.

Taiwan underwent a similar experience of colonisation by Japan, colonial industrialisation and early trade union movement under colonial rule. However, there were significant differences. First of all, the state created by the KMT after the return of Taiwan to the Republic of China was indeed not a native national state of Taiwan. It was a state that is as alien to the local Taiwanese as the Japanese colonial state since the KMT state was a result of military migration from mainland China. This implanted nature of the KMT state played an important part in shaping state-society relations in Taiwan, together with the class composition left by Japanese colonial rule and class struggles in the mainland. The extreme authoritarian nature of the KMT rule was legitimated and reproduced on the basis of Taiwan’s unfinished war against communists in the mainland. The state confiscated the means of production left by Japanese capital and owned by Taiwanese capitalists and utilised them for KMT-controlled state enterprises. The KMT introduced land reform, finally resolving the land problem that had haunted the KMT throughout the civil war. It was possible as the implanted KMT state had no tie with Taiwanese landlords and the KMT secured absolute domination over the Taiwanese population as a result of the massive military migration. This allowed the KMT state not to worry about an alliance with existing Taiwanese elites too much.

Indeed, there was a significant development of organised social movements under Japanese rule which might have been a challenge to the rule of the implanted KMT state. Although not as strong as that of Korea, labour and peasant movements grew out of Japanese controlled manufacturing industries and sugarcane farming. There were also political groups such as the Popular Party and Cultural Association that supported those emerging struggles of the colonial labour force and in doing so tried to achieve either autonomy for Taiwan or complete entitlement of Taiwanese to the
Civil rights the Japanese enjoyed (Chen, 1972). However most political activism was rooted out by the KMT even before the KMT began to consider Taiwan as the base for recapturing the mainland. The notorious 28 February Incident eradicated most leading figures of Taiwan’s people’s movement, killing approximately 18,000 to 28,000 Taiwanese (Minns and Tierny, 2003, p. 105). Even then, the KMT who had fled from the peasant-driven revolution in the mainland feared class struggles and any sort of social unrest so much that it introduced the ‘Temporary Provisions Effective During the Period of Communist Rebellion in 1948’ and a martial law was promulgated in 1949 that outlawed political activities as well as industrial action and remained effective until 1987. On top of this, the KMT state introduced ‘labour-demobilised laws’ in an attempt to contain communist efforts to organise workers in the mainland during the civil war period (Hsu, 1989, p. 3; Hsiao, 1992, p. 156). Trade unions were not forbidden but the KMT had to make sure that leadership of unions at every level was under the control of KMT party cadres. The subversive power of labour was directly controlled by KMT cadres infiltrating trade unions of public enterprises. In the private sector dominated by small-scale Taiwanese individual capitals, workers remained largely unorganised. As Taiwanese capital was not encouraged to expand, Taiwanese capital was typically in small and medium size firms with a very limited number of employees. In these small-scale factories, workers had personal bonds with Taiwanese employers and the possibility of upward mobility into individual ownership (Deyo et al., 1987, p. 50). In addition, the unique social division between mainlanders and Taiwanese made it difficult for Taiwanese workers to express their grievances through collective actions against Taiwanese capitalists.

With these particularly articulated capital relations, Taiwan and Korea could respond to the opportunities to join the emerging international division of labour as manufacturers of low value-added goods that were mostly exported to the US market. Korea and Taiwan moved to export-oriented development from the 1960s onward. Since then capital relations in Taiwan and Korea were articulated in such a way that ‘the political’ regulated individual capitals through nationalising banks and financial institutions, and allocating foreign loans either to large-scale family-owned conglomerates following the state’s industrial policies as in the case of Korea, or to enterprises under the control of the KMT as in the case of Taiwan. The state also exercised strong power over labour through anti-communism-based control at the level of the immediate production process by police and intelligence agents and a government-directed union federation. This particular arrangement of capitalist social relations, maximised developmental leadership of the state against individual capitals, suppressive labour relations at the workplace and state coercive control over the collective power of the working class, led to ‘miraculous’ economic development during the 1960s and 1970s in combination with the above mentioned regional division of labour. Showing a remarkable average annual GDP growth rate of 9.2 and 9.5 percent in Korea and Taiwan respectively between 1961 and 1980, Korea and Taiwan’s industrialisation was successfully transformed from ISI (Import Substitute Industrialisation) to EOI (Export Oriented Industrialisation). In spite of its extreme suppression over labour, the class characteristic of the state did not appear directly in the form of the subordination of the state to capitalists but rather in the form of the subordination of individual capitalists to the state, creating the image of a state independent from the dominant class.
In these particularly articulated capital relations, with the external context mentioned above, workers suffered from extremely long working hours and low wages. However, it was also at this time that the state appeared not at all free from crisis-ridden capitalist development and it faced increasing politicisation of class struggle. Individualised struggles against the extreme form of exploitation continued to emerge and finally began to take more collective forms in the late 1970s and early 1980s. Growing independent trade unionism as well as the dynamic democratisation movement with workers’ involvement later contributed to the increasing aspiration for electoral democracy in both countries. In spite of the subsequent military governments and conservative regimes, the continuous development of class struggle shows us that the state, while succeeding in leading the reproduction of capitalist social relations in Korea and Taiwan, could not resolve the contradictions inherent in capitalist development. When the state could not regulate the re-emerging class struggles, individual capitals also no longer willingly followed the state strategy of development. The decade from 1987 was marked by the resurrection of the working class movement, on the one hand, and the declining effectiveness of the authoritarian state in directing capitalist development.

Throughout the 1960s and 1970s, the working class movement in Korea transformed from scattered spontaneous resistance into an organised movement in the form of ‘democratic trade unionism’. In the 1970s, the development of the democratic trade union movement was led by women workers in export industries, which was represented by the intense struggles in the Dongil Textile Company in the mid-1970s and the YH workers’ struggle in 1979. The violent suppression of the YH workers’ struggle precipitated a nationwide political campaign that led finally to the overthrow of President Park. Korea’s capitalist development faced the explosive development of new independent trade unionism in the summer of 1987, during which 1,300 new democratic trade unions were organised and recognised (D. O. Chang, 2002). Between 1977 and 1986, there were an average 174 disputes per year, while in the period 1987-1996 the number was 846 per year (Koo, 2000, p. 231). Engaged in these industrial disputes, democratic trade unions changed the nature of labour relations on the shop floor by encroaching into the managerial decision-making process. Furthermore, the Council of Korean Trade Unions (CKTU), a national centre for newly created independent unions was established in January 1990. Later, in 1995, the CKTU developed into the first nationwide independent national confederation, the Korean Confederation of Trade Unions (KCTU).

In Taiwan, although new labour activism was not emerging as explosively as in Korea, labour’s discontent surfaced from the 1970s. First of all, a genuinely independent union movement re-emerged (Minns and Tierny, 2003, p. 112). The Far East Textile workers, for example, showed workers’ dissatisfaction with the KMT controlled pro-management unions and desire to build an independent union movement. Workers’ discontent also took a form of political activism as shown in the workers’ participation in the democratisation movement. A dramatic sign of this appeared in the Chungli incident in which local people, mostly workers, mobilised a street demonstration and stormed a police station to protest a suspected election fraud by the KMT in a local election. The number of labour disputes showed a steady increase throughout the 1970s as well. This tendency looked even clearer in the 1980s particularly after Martial Law was lifted. Between 1981 and 1988, there were 10,441 disputes with a total of 106,147 workers involved (Hsiao, 1992, p. 163). In 1987 alone,
3,000 labour disputes were reported calling for wage increases and the implementation of labour law (Burkett and Hart-Lansberg, 2000, p. 157). The 1980s also witnessed more organised forms of the labour movement with emerging new associations and federations of the newly established independent unions, such as the Brotherhood Union in 1987, the Kaoshiung Workers Alliances in 1988 and the National Alliance of Autonomous Unions in 1988 (Hsiao, 1992, p. 163). Labour support organisations, such as the Taiwan Labour Movement Assistance Association, were also organised. In addition, worker activists and radical intellectuals formed political parties aiming to defend workers’ interests. This re-emerging labour activism was indeed a result of both the expansion of capital relations and changes in the configuration of capital relations. Taiwan saw the declining political domination of the KMT. Indeed, this political liberalisation ‘did not come about naturally’, it was shaped by ‘mobilised civil society’ and the response of the KMT to the emerging pressure (Hsiao, 1992. p. 153).

From our closer look at the ways in which the state relates itself to class relations and the ways in which the state has been formed in relation to class relations in Japan, Korea and Taiwan, it is not too difficult to see that it is false to argue that the state has been autonomous from ‘classes’. It is also false that the state had absolute control over labour. The contradictory social form of capitalist labour has been forcing the state and capital to continuously explore new modes of labour control. It is within this contesting process that the state took (and was forced to take) new roles and forms. Again on the basis of the new roles and forms, the state could take different modes of intervention in class relations. Through these continuous struggles, capital relations in those East Asian countries came to be articulated in particular ways. It is in this articulation of capital relations that the state exercised a certain degree of control over individual capitals and managed to suppress labour effectively. Having seen this, one might argue that East Asian states were autonomous from capital and other market forces. It was at this moment that the myth of the developmental state emerged. However, the period during which the development of the particular capitalist developmental trajectory emerged, was also the moment that struggles of the working class started undermining the very basis of the articulation. With the changing balance of power between labour and capital, Japan, Korea and Taiwan went into a transition in which the state and capital had to figure out new ways of taming and integrating labour into the general framework of the reproduction of the social basis of capital accumulation. These modifications however are bringing new challenges from labour that is constantly in search for different modes of collective endeavour of labouring people to confront and change the way in which their labour power and products are socially mobilised, utilised, consumed and appropriated.

We saw the state-society relations during the golden age of the so-called East Asian developmental states. First of all, it is indeed obvious that there were many different dimensions of state-society at work. In particular, labour challenged the existing composition of class relations and the way in which the state intervened in class relations. Even during this golden age, there was no state that was autonomous from class relations. Rather the state showed many different features that cannot be described within the developmental state paradigm. Contrary to the claims made by statists, the development of the working class’s struggles has repeatedly threatened the existing articulation of capital relations and initiated the restructuring of capital relations through undermining the state regulation of collective labour as well as
unilateral labour relations on the shop floor. On the other hand, capital and the state were facing increasing competitive pressure in the global market. With limited options, the state and capital accelerated financial liberalisation, which could enable, at least temporarily, individual capitals to introduce new means of production through massive expansion of short-term credit. This liberalisation finally ended capital allocation by the state, which was an important moment of the early development. On the other hand, individual capitals sought for more flexible and disposable labour in order to secure profitable bases for their businesses within and beyond their territories. The recent transformation of East Asian states can be captured best in this context. The particularly articulated capitalist social relations that had created the myth of the developmental state underwent a period of demise in all East Asian countries.

**Conclusion**

We showed the way in which the ‘inductive theorisation process’ of the developmental state invalidates labour in defining the state. We identified the quintessential flaw in developmental state theory that claims to define the form of capitalist states by analysing government-business relations, effectively constraining discussions about the form of the capitalist state within the state-market dichotomy. The developmental state paradigm appears to be addressing the issues of classes. However it transforms the relation between the totality of capital relations and the state into the mundane sociological relations between different societal actors. In doing so, it effectively releases state analysis from class relation and abstracts classes from class relations. A closer look into the collective endeavour of labouring people to confront and change the way in which their labour power and products are socially mobilised, utilised, consumed and appropriated in East Asia showed us that the state was autonomous neither from capital nor from labour. Rather it was constantly moving in response to those challenges. East Asia’s remarkable capital accumulation was then a temporary product of the amalgamation of the global dynamics of capitalist development and sets of capital relations articulated through continuing class struggles, which allowed the state and capital to take advantage of global dynamics. There are some practical implications of the developmental state as a model of economic development for the developing world. Instead of much anticipated benefits of autonomous policy spaces, the labouring population in developing countries with this particular development strategy faces difficult challenges in pursuing alternative and democratic development. As far as the theory of the developmental state is dealing with labour in the same way neoliberal social theories do, as a factor of production or at best the sum of individual ‘citizens’, the particular development that it guides will not offer any alternative to neoliberal globalisation. This model does not guarantee capitalist development either. What it guarantees is, if there is development, the nature of the development which is anti-labour.

**Bibliography**


