

READING GUIDE

Spring 2005

I. Development Policies – Introduction

Thu, 31 Mar.

- Spero, Joan E. and Jeffrey Hart. 1997. “The North-South System and Possibility of Change.” *The Politics of International Economic Relations*. NY: St. Martin’s Press. 5th edition. Chapter 5.
- World Bank. 1993. *The East Asian Miracle: Economic Growth and Public Policy*. Oxford University Press. Chapter Overview.

Guide:

Grasp why studying East and Southeast Asian countries is important. What is unique, if any, about countries in this region? Recognize the challenges, the opportunities, and the policy choice that governments made in order to develop economically. What are the things policymakers have to consider before adopting certain development policies?

What are the concerns of scholars and policy advocates when it comes to choosing development policies? Make sure you also recognize the different schools of theory that separates scholars.

Tue, 5 Apr.

- Prebisch, Raul. 1959. Commercial Policy in the Underdeveloped Countries. *American Economic Review* 49 (May): 251-273.

Guide:

Grasp the root of development policy. How do countries earn income before they industrialize? Why do they have to industrialize? What are the paths to industrialization? What are the rationale for choosing one path and not the other? What is the important theoretical and practical contribution of Prebisch? What are the limits to his theory?

Thu, 7 Apr – NO CLASS

II. Industrial Policy

Tue, 12 Apr.

- Johnson, Chalmers. 1987. Political Institutions and Economic Performance: The Government-Business Relationship in Japan, South Korea and Taiwan. In Frederic Deyo, ed. *The Political Economy of the New Asian Industrialism*. Ithaca, NY: Cornell University Press. pp. 136-164. **E & Lib Reserve**

- Cumings, Bruce. 1987. "The Origin and Development of the Northeast Asian Political Economy". In Frederic Deyo, ed. *The Political Economy of the New Asian Industrialism*. Ithaca, NY: Cornell University Press. pp. 44-83. **E Reserve**

Guide:

The readings today discuss industrialization in East Asian countries, namely in Japan, South Korea and Taiwan. Recognize the different characters of industrialization in these countries and why they are different. What are the forms of development policies? Why these policies? Who were involved?

What is the theoretical and practical contribution of Chalmers Johnson? Notice who he is arguing against and what are the new evidence he brings to the table. Brainstorm the implication of Chalmers Johnson's argument to the theories of development (as discussed last Thursday).

Thu, 14 Apr.

- Robison, Richard. 1992. Industrialization and the Economic and Political Development of Capital: the Case of Indonesia. In Ruth McVey. *Southeast Asian Capitalists*. Ithaca, NY: Southeast Asia Program. pp. 65-88.
- MacIntyre, Andrew. 1994. Power, Prosperity and Patrimonialism: Business and Government in Indonesia. In Andrew MacIntyre, ed., *Business and Government in Industrializing Asia*. Ithaca: Cornell University Press. Pp. 244-267.
- Liddle, R. William. 1996. *Leadership and Culture in Indonesian Politics*. Sydney: Allen & Unwin. Chapter 4.

Guide:

The reading today discusses industrialization in Indonesia, the world's fourth most populous country located in Southeast Asia. Recognize the character of industrialization in Indonesia. What is the role of the state? Who were involved? What are the forms of development policies? Why these policies?

You will learn some new terms from the reading, like capitalists and patrimonialism. Try to understand what these terms mean, although I will elaborate what they are in the class.

Recognize the different points of view from the three authors. How are these authors different from each other? Which of them are more convincing? Why? After all, they are looking at the same country at roughly the same time, so think why they come to different conclusions as to what happened in Indonesia.

Tue, 19 Apr.

- Hawes, Gary. 1992. Marcos, His cronies, and the Philippines' Failure to Develop. In Ruth McVey. *Southeast Asian Capitalists*. Ithaca, NY: Southeast Asia Program. pp. 145-160.
- Tiglao, Rigoberto. 1999. "Stealth Technology". *Far Eastern Economic Review*. July 15. pp.36-38.
- Low, Linda. 2001. The Singapore Developmental State in the New Economy and Polity. *The Pacific Review* 14 (3): 411-441. **E Reserve.**

Guide:

The reading today discusses industrialization in the Philippines and Singapore. Both are important countries in Southeast Asia but with stark difference in the record of economic growth. Recognize the differences between industrialization in the Philippines and Singapore.

What are the forms of development policies? What is the role of the state? Who were involved? Why these policies?

Recognize the contribution of Gary Hawes and Linda Low to the study of development policy. Notice they look from different points of view. Which of these authors is more convincing to you? Why?

III. Agricultural Policy

Thu, 21 Apr.

- Liddle, R. William. 1987. The Politics of Shared Growth: Some Indonesian Cases. *Comparative Politics* 19 (2): 127-146. **E & Lib Reserve.**
- Hawes, Gary. 1987. *The Philippine State and the Marcos Regime: The Politics of Export*. Ithaca, NY: Cornell University Press. Chapter 3 (The Sugar Industry). **E & Lib Reserve.**

Guide:

The reading today provides an insight into the agricultural policy in Indonesia and Philippines. Make notes of what the agricultural policy in both countries look like. What are the goals? Who are involved? What are the agencies that matter? Why such policy?

Also recognize the theoretical contribution from Liddle and Hawes. What intrigued these scholars about agricultural policy in these countries? What do they think explain these policies? Weigh the strength and weaknesses of the authors' arguments.

Tue, 26 Apr

- Oshima, Harry T. 1986. The Transition from an Agricultural to an Industrial Economy in East Asia. *Economic Development and Cultural Change* 34, July: 783-809

Guide:

The reading today provides another way of understanding agricultural policy. The case in point is East Asian countries. Recognize the factors that Oshima identify as important to the shape of agricultural policy in this region. He tries to differentiate the historical, economical and natural context of agricultural policy in Asia compared to Western countries. What would your response be to Oshima? Is his argument convincing? Why or why not? Brainstorm about the factors that may have been overlooked or underestimated by scholars when it comes to agricultural policy. Think about individual farmers, their family, and the connection among farmers. Think about how industrial policy brings some consequences, perhaps unintended, to agricultural policy.

Thu, 28 Apr. In-class mid-term exam held during regular class hour and in regular classroom

IV. Social Welfare Policy

Throughout the section on Social Welfare Policy, our main concern is to explore the answers to the following two questions:

1. What are the models of social welfare provision in Asia?
2. Why are there these variations of models?

In general, when you do the reading, think about the differences and similarities between the provision of social benefits in Asian countries and the provision of social benefits in other countries, for instance the United States. Then, based on what you have read in this class, not

only on social welfare policy but also industrial and agricultural policy, think about why do you think there are these variations.

To help you understand the reading and identify the variation of social welfare policy in Asia and in the world, here are some definitions of the concepts:

Social Benefit provision

A. *The Forms of Social Benefits*

1. Cash Benefit vs. In-kind Benefit

Cash Benefit : if a beneficiary (the recipient of social benefit) receives cash.

In-kind benefit: if a beneficiary receives anything but cash, for instance: food stamp, free or cheap health care service, nursing assistance for the elderly, etc.

Notice the difference between the two: if you receive cash, you basically have freedom to spend the benefit anyway you want it. The case would be different if you receive food stamps or service. If you are entitled for such in-kind benefit, unless you use the stamp for buying food, or are sick and go to certain hospital, you won't be able to enjoy the benefit.

2. Lump sum Benefit vs. Insurance Benefit

Lump sum Benefit : if a beneficiary receives benefit as a one-time entitlement.

In other words, this beneficiary receives all benefit at once. Indeed, lump sum benefit usually involves cash benefit.

Insurance Benefit : if the benefit for a beneficiary is divided over a certain period of time. So instead of getting a one-time big buck, say after retirement, the beneficiary is guaranteed to get certain amount of cash or in-kind benefit until she died.

B. *The Mode of Financing*

1. *Tripartite* : if the source of social benefits financing is the contribution from the state (national or local government), employer, and worker.
2. *Bipartite* : if the source of social benefits financing is employer and worker.
3. *Employer Liability*: if the source of social benefits financing is employer only.

C. *The Principle for Granting Benefit*

1. *Defined Contribution (DC)*: the size of benefit is not determined at the outset. Under this principle, what is regulated is only the size of contribution (e.g. the rate of payroll tax), and not the actual size of benefits.
2. *Defined Benefit (DB)*: the size of benefit is determined at the outset. Under this principle, there is a certain formula for granting benefit and people know it. The example of the formula is like this: a flat rate benefit + a formula of earning-related benefit (usually if you earn more, you earn more benefit).

D. Basis for Eligibility

1. *Means-tested*: when social benefit is granted only to those who meet certain criteria, for instance: single mother, teen mother, individual with income less than \$100 a day, educated individual, etc.
2. *Membership*: when social benefit is granted to everyone enrolled in national social security system, regardless of their wellbeing, status of marriage, education, etc.

E. The System of Social Security

1. *Provident Fund*: a system of social benefit provision where benefits are funded by the accumulation of contribution from workers and employers during the workers' work life, plus some accrued interest. This system is fully funded, meaning there is a pool of funds that finance benefits for the program participants.
2. *Social Insurance*: a system of social benefit provision where benefits are funded by the contribution from workers, employers and state. The size of benefits in this system is determined by certain formula, so the principle for granting benefit in this system is DB. This system is usually a pay-as-you-go system (PAYG) and thus not a funded system, meaning that the benefits for recipients today are financed by the contributions from today's contributors.

Tue, 3 May.

- Goodin et.al. 1999. *The Real Worlds of Welfare Capitalism*. Cambridge University Press. Chapter 2.
- Gilbert, Neil and Paul Terrell. 2002. *Dimensions of Social Welfare Policy*. The Modern Welfare State. Chapter 2.

Guide:

What are the definitions of the welfare state? Notice that there are many ways to define the welfare state.

What does a welfare state serve according to Goodin et.al, and according to Gilbert and Terrell? Do you agree with Goodin et.al that the welfare state varies by the moral values each country wants to concentrate on? How far can we go with moral argument? How useful is it and what are the limitations?

Gilbert and Terrell want us to learn from the evolution of the welfare states in Western industrialized countries, namely Europe and the United States. Try to understand as much as you can on the evolution of the welfare states in Western countries. List the potential explanations for the variation of welfare states in Western countries. We'll use this list to explore the factors that determine the variation of welfare states in Asia. Do you think we could "import" the explanation from the West to understand social welfare policies in East and Southeast Asia?

Thu, 5 May

- Peng, Ito. 2000. A Fresh Look at the Japanese Welfare State. *Social Policy and Administration*. 34 (1): 87-114. **E & Lib Reserve**.
- Shin, Chang-sik and Ian Shaw. 2003. Social Policy in South Korea: Cultural and Structural Factors in the Emergence of Welfare. *Social Policy and Administration* 37 (4): 328-341. **E & Lib Reserve**.

Guide:

Peng helps us understand the social welfare system in Japan, a country often used by the developing nations of Asia as a model.

Shin & Shaw helps us understand the social welfare system in South Korea, another example of country with successful economic development but with “hard states”.

Authors in both articles notice one similar thing in Japan and South Korea. They saw changes in how government provides social benefits. They seem more generous. But is it? Are the change in social security system in Japan and South Korea suggest an increasing social citizenship, i.e. benefits are granted as social rights - no need to fight for it?

Both articles say no. Identify their reasoning.

As you explore their reasoning, sense how social welfare policy is related with industrial policy.

Tue, 10 May.

- Ramesh, M & Mukul Asher. 2000. *Welfare Capitalism in Southeast Asia*. St. Martin Press, Inc. Chapter 3 & conclusion. **E & Lib Reserve**
- Wisnu, Dinna. 2005. Risks and Social Protection in Indonesia, the Philippines and Singapore. Paper presented at Princeton Institute for International and Regional Studies Conference on “Bridging Disciplines, Spanning the World”, April 8-9, Princeton, New Jersey.

Guide:

Ramesh and Asher provide insight into the welfare states in Southeast Asia.

Try to understand as much as possible the system of social welfare in Indonesia, the Philippines, Singapore, and Malaysia. Use the terms from page 4-5 above as your guide.

What do Ramesh and Asher argue as the important political explanation for the welfare states in Southeast Asia? As usual, do you buy their argument? What is the strength? What is the weakness? Use what you have learned about social welfare system in Western countries and about Southeast Asian countries to develop your own opinion.

Wisnu provides a different way of understanding social welfare policy. She goes beyond using expenditure/spending to compare across the welfare state. She looks into the variety of risks that businesses and state leaders must face and how it brings a variation in the shape of the welfare state. Understand the reasons behind her argument. Pay attention to the examples that built her argument. What are the strength and weakness of this paper? How would you improve her argument?

Thu, 12 May.

- Shari, Ishak. 2003. Globalisation and Economic Insecurity: A Need for a New Social Policy in Malaysia. *AJSS* 31 (2): 251-270. **E & Lib Reserve**

Guide:

With this article, we will challenge two lasting assumptions of social welfare policy:

1. Social welfare policy in Asia is all about economic development – it's economic rather than political.
2. Social welfare benefit provision is only desired by workers/labors – not by businesses/employers.

What does Shari say about these assumptions?

Think of why we may need to evaluate these lasting assumptions. Jot down the evidence that we could use to challenge these assumptions.

Look back at Wisnu's paper and ponder how the evidence presented in the paper could be useful to challenge the existing assumptions of social welfare policy.

Also, read back Ramesh and Asher's section on Malaysia.

V. Toward Women Friendly Policies

Throughout the section on Women Friendly Policy, our goal is to find:

1. The gender dimension of every public policy (industrial, agricultural and social welfare) in Asia and Africa
2. Ways to promote women friendly dimension in these policies

Tue, 17 May.

- Park, Kyung Ae. 1993. Women and Development: The Case of South Korea. *Comparative Politics* 25 (2): 127-145. **E & Lib Reserve.**
- Amaha, Eriko. 1999. Blazing a Trail. *Far Eastern Economic Review*. July 1. pp.34-36.
- Geisler, Gisela. 1995. Troubled Sisterhood: Women and Politics in Southern Africa. *African Affairs* 94 (377): 545-578. **E & Lib Reserve.**

Guide:

Recognize how women are affected by existing development policies in East Asia and Africa.

Use the case of Africa to draw an understanding of any similarities or differences of policies toward women. Do women benefit from existing development policies? How do they benefit or not benefit from these policies? Highlight the challenges for caring for the need of women.

Contrast the challenges for women in Africa and Asia.

Indeed, you may come across the term "culture" over and over. Comprehend what this term means. How far can we go with "culture" as an explanation for friendly or not-so-friendly policies toward women?

Thu, 19 May.

- <http://www.ipu.org/splz-e/beijing.htm> Beijing parliamentary declaration.
- Sandler, Joanne. 1997. UNIFEM's Experiences in Mainstreaming for Gender Equality. Presented to the UNICEF Meeting of Gender Focal Points 5-9 May.

- Pintat, Christine. 1998. A Global Analysis: What has worked for women in politics and what has not, 1975-1998. Paper presented at the Second Congress of the Global Network of Women in Politics, Manila, Philippines, 28-30 August.

Guide:

Recognize the global effort to promote women friendly policies, the different program emphasis for different regions (due to different challenges for different regions), and the impact of this “international or external influences” to gender-friendly policies in Asia.

Since you now know quite a lot about the politics of policy choice and policy making in Asian countries, think of whether you agree with the existing global approach of promoting women friendly policy. Do you agree with the UNIFEM? Do you agree with Christine Pintat? Why or why not?

Tue, 24 May.

- The Megawati Presidency. Indonesia Briefing by International Crisis Group. Jakarta/Brussels, 10 September 2001.
- Articles from *Far Eastern Economic Review* July 8, 1999: “Power Plays” and “Megawati’s Man”.
- Richter, Linda K. 1990-1991. Exploring Theories of Female Leadership in South and Southeast Asia. *Pacific Affairs* 63 (4): 524-540.

Guide:

Through these articles, we will discuss the importance of having women in leadership positions. Recognize the special challenges faced by women leaders that may not be faced by male leaders. Richter offers some insight into the puzzle: why are there so many female leaders in Asia, despite the seemingly patriarchal culture? Understand her argument and the reason behind it.

What are your thoughts on women leaders?

How important is it to have women leaders? Relate it with gender-friendly policies we have learned from previous sessions. Brainstorm on how to promote women engagement in politics.

Thu, 26 May – lesson from others

- Matland, Richard E. 1998. Women’s Representation in National Legislatures: Developed and Developing Countries. *Legislative Studies Quarterly* 23 (1): 109-125. **E & Lib Reserve**
- World Bank, 2000. Engendering Development. Policy Research Report. Washington, DC.

Guide:

Through these articles, we will discuss the institutional challenge for women to participate directly and actively in policymaking process, i.e. through representation in the legislature or parliament. Our discussion will draw upon the experience of the development of women-friendly policies in Western industrialized countries.

Rick Matland uses a regression analysis method to offer policy prescription.

The following are some of the things you need to know about regression analysis:

- It searches for systematic correlation among variables (does x relate to y? $x=y?$)
- It searches for causality through the use of statistical data. The causality will be reflected in the regression coefficient.
- It promotes the specificity of hypotheses and operationalization of variables into quantifiable figures

- It promotes the use of more data points relative to case study. The regression analysis method could use panel data (one or few countries over an extended period of time) or cross sectional data (lots of countries on specific year).

Try to think about the limitation of regression analysis method, especially as employed by Matland. Basically try to think whether you buy his argument or not.

Using Matland's piece helps us to understand an alternative way of analyzing public policies in developing nations. If you are in to statistics, you could then develop better analysis. If you are not in to statistics, it will help you recognize the variety of research methods including their strength and weakness.

In reading the articles today, think hard beyond what these authors said. What do you think is missing or left unexplained whenever we talk about women-friendly policies? Indeed, institutional factors are yet to be discussed. Think about what the institution of political party might do, or the electoral system, or the national legislature.

VI. Conclusion

Tue, 31 May – the politics of public policy in developing nations

- Schneider, Anne and Helen Ingram. 1993. Social Construction of Target Populations: Implications for Politics and Policy. *The American Political Science Review* 87 (2): 334-347. **E & Lib Reserve**
- Goad, Pierre. 1999. At your Service. *Far Eastern Economic Review*. September 2.
- Freedman, Richard. Are Your Wages Set in Beijing?. In Jeffrey Frieden and David Lake, eds., *International Political Economy*. NY: St. Martin's. pp. 343-352. **E Reserve**.

Guide:

At the beginning of the quarter, we asked the question: what have East and Southeast Asian countries done to get out from their relative socioeconomic backwardness? We have looked at the various policies applied by countries in this region.

Now, as a policy analyst, what do you think is the best way to overcome the obstacles toward the creation of socioeconomic development?

Note the challenges and the opportunities based on the article from FEER and Freedman. Recall what Chalmers Johnson said at the beginning of the quarter. What kinds of state intervention would make an economy competitive internationally? Why does he think we as scholars should focus on studying the state? After doing more reading throughout this quarter, do you agree with him? Could you think of other ways that state intervention could be productive for developing nations?

Ingram and Scheiner suggest that political scientists pay too much attention to power relations in a society and consequently overemphasizing the importance of the elite or powerful interest groups. They argue we should look at the social construction of target populations. What do they mean by this? This article was based on the politics of public policy in the USA. How applicable is this framework to studying the creation of development policies in East and Southeast Asia? What would you change to make this framework suitable for studying development policies in this region?