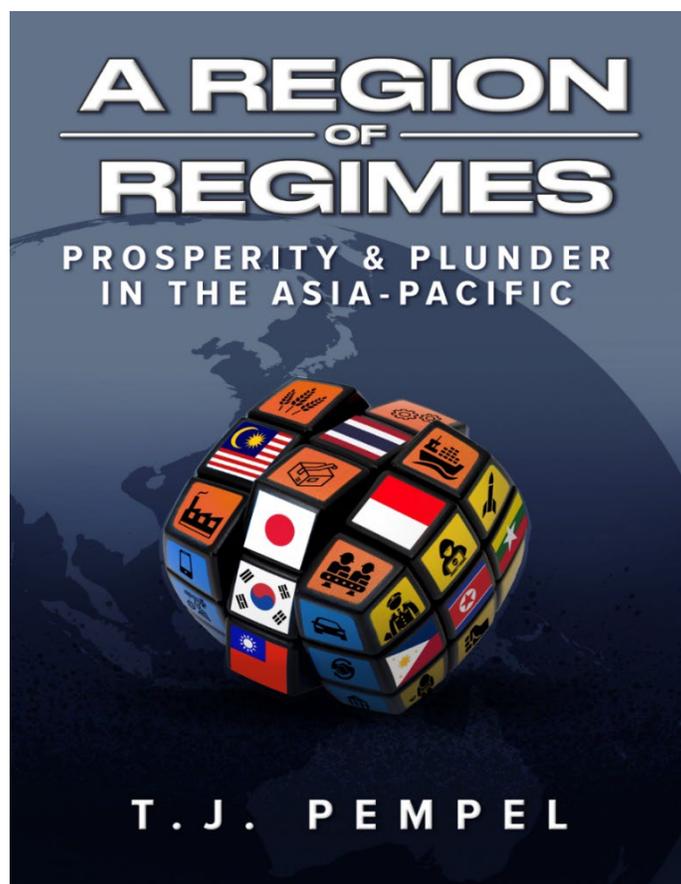


T.J. PEMPEL'S NEW BOOK: A REGION OF REGIMES

By T.J. Pempel, Jack M. Forcey Professor Emeritus of Political Science

Jack M. Forcey Professor Emeritus in Political Science at UC Berkeley has published a new book in the Comparative Political Economy series at Cornell University Press. *A Region of Regimes: Prosperity and Plunder in the Asia-Pacific*¹ analyzes the relationship between the political economies of ten East Asian countries over a forty-year period along with the changing regional orders that have resulted. The book is driven by three core problems: 1) analyzing the nuances behind the “East Asian economic miracle;” 2) linking East Asian experiences to broader characterizations of different forms of political economy; and 3) bridging the debates between domestic and international forces in the shaping of national patterns of development.



Graphics Credit: Sean McDowell Pempel

Decades of rapid economic growth in numerous East Asian countries mask the diverse national approaches to growth that many have taken. This includes the multiple cases of conspicuous economic failure by many East Asian countries. The book takes a two-part approach in addressing these issues. Part One uses ideal types to categorize nine countries over forty years. It identifies three major patterns or regime types. Each type manifests a distinct combination of political institutions, socio-economic forces, and international influences. These regime types are labeled “developmental,” “ersatz developmental,” and “rapacious.” Each regime type, in turn, pursues a discrete economic paradigm, some conspicuously more conducive to long-term growth than others. Part Two takes a more dynamic approach in three ways. First, it analyzes regime reorientations among the developmental regimes as core elements of the original regime come unglued. Second, it demonstrates how the Chinese regime and its economic paradigm present a hybrid of all three regime types examined in Part One. Finally, the book examines the linkages between shifting balances of regime types and changes in the Asia-Pacific order.

The prototypical developmental regimes are Japan, South Korea, and Taiwan, the first East Asian economies to achieve rapid and sustained economic growth. Their economic achievements were linked to the specific regime type long dominant in each. Key traits included strong and cohesive political institutions, a dominant pro-growth socio-economic coalition, and unparalleled assistance from the United States. Land reform in all three, combined with the virtual absence of exportable raw materials, impelled the regime’s components to bond over shared fears of communism and the pursuit of an economic paradigm of embedded mercantilism that favored and unified key regime elements. Embedded mercantilism pivoted on rapid growth linked to

continual industrial upgrading; steady enhancement of worker skills; a domestic market closed to most foreign direct investment and imports of competitive manufactured goods; targeted allocation of predominantly domestic capital; and the capture of the gains of growth by indigenous actors. As their national economies took flight, economic success provided a positive feedback loop that reinforced cohesion among regime components and marginalized potential regime opponents. As a result, the regimes and their economic policies remained coherent and dominant for decades.

Malaysia, Indonesia, and Thailand are prototypes of what the book calls ersatz developmental regimes. Like the developmental regimes, all three enjoyed high GDP growth and expanding global exports; however, their regimes and economic paradigms differed in key ways. Political institutions and socio-economic forces were more fragmented while the major international influences, i.e., multinational corporations, favored a particular model of industrial engagement. These combined with pervasive agricultural and raw materials reduced the impetus favoring continual industrial upgrading and the development of technically skilled workforces. As such, foreign investors, rather than domestic businesspersons, gleaned the lion's share of the benefits from expanding manufacturing exports and jumps in GDP. That economic paradigm threatens to lock all three countries into a "middle-income trap."

Despite natural resources giving them vast economic advantages over less well-endowed neighbors, North Korea, Myanmar, and the Philippines (particularly under Marcos) were marked by rapacious regimes in which state institutions, socio-economic forces, and external linkages joined forces that fostered economic paradigms predicated on citizen repression and rejection, rather than pursuit, of national industrial deepening. All sustained regimes that plundered for the few at the expense of prosperity for the many. While each regime plundered in its own way, these three regimes resemble one another in their resistance to participation in the surrounding East Asian economic transformation. Investments in human skills remained minimal; inequality and poverty were pervasive. If the developmental and

ersatz developmental regimes demonstrate that there is more than one path to economic advancement, these three rapacious regimes show there are numerous routes to immiseration.

Part Two of the book begins by examining how once highly stable regimes change. By the late 1980s, the developmental regimes in Japan, Korea, and Taiwan faced an escalating crescendo of international and domestic challenges to their prior cohesion and to policies of embedded mercantilism. Less welcoming international conditions and the destabilizing socio-economic forces generated by sustained economic improvement altered the resources and incentives of key domestic and international actors. The result was a weakening of previous regime unity and the prevailing policy paradigm that, in turn, spawned myriad modifications in all three cases. Adjustments involved complex dramas pitting entrenched regime beneficiaries against contenders now brandishing new resources in their challenge to the status quo. However, even though the bonds fusing regime components loosened, they did not dissolve completely. Deeply institutionalized relationships, entrenched advantages, and institutional stickiness proved highly effective at preventing total regime breakdown. So did elements of longstanding economic policies. The result was enhanced powers to opposition forces, greater political and policy pluralism, and an expansion of neo-liberalism. Each of the three regimes adjusted at differing tempos and strong elements of the earlier regime remain. Yet, all three have undergone substantial reconstruction of their prior developmental regimes.

The book moves on to examine how, since 1979-80, the Chinese regime has been a composite of elements from the developmental, ersatz developmental, and rapacious regimes. Like the developmental regimes, China has strong state institutions with skillful and empowered officials, enabling the marginalization of potential regime opponents and challenges to the party-state policy paradigm based on deep industrialization, capital targeting, undervalued currencies, human skill enhancement, and export of manufactured products. Yet, it was more like the ersatz regimes in its reliance on foreign investment, overseas technologies, and low-cost domestic labor.

Finally, like the rapacious regimes, a powerful and cohesive communist party controlled the most influential levers of state power with strong citizen supervision and little worry about being checked by cohesive and independent socio-economic forces. The regime sustained widespread senior-level corruption. Unlike the rapacious regimes, however, the Chinese party-state did not hoard economic gains for the ruling few, instead overseeing a diffusion of benefits to vast numbers of the broader citizenry, including a rising cadre of private sector billionaires.

The book concludes by turning the regime mirror around to analyze how varying combinations of regimes over time structured shifts in the regional order. Three discrete, albeit overlapping, phases of regional order stand out. The first was the order prevailing during Cold War bipolarity and marked by security tensions and economic blocs. Economic and political successes by the developmental and ersatz developmental regimes eventually spurred widespread emulation (most notably by China and Vietnam) and helped to usher in an end to the Cold War in the Asia-Pacific and spawn a new regional order characterized by enhanced economic interdependence, deepening regional institutionalization, and region-wide peace and prosperity. This order prevailed from roughly 1980 until the global financial crisis (2008-09) by which time the seeds of a third regional order had begun to sprout. That current order is marked by a resurgence of geopolitics, nationalism, and heightened state-to-state tensions. It is driven most conspicuously, but not exclusively, by acrimonious relations between the U.S. and China and moves toward economic decoupling across the region. Such trends cast a dangerous shadow over the still powerful order of peace and prosperity. Yet, numerous regimes continue to push back against such binary developments leaving the evolving regional order open to shaping by the powers of political agency from the region's key regimes.

ENDNOTES

- [1] Pempel, T.J. 2021. *A Region of Regimes: Prosperity and Plunder in the Asia-Pacific*. Cornell Studies in Political Economy. Cornell University Press. Available at <<https://www.cornellpress.cornell.edu/book/9781501758805/a-region-of-regimes/>>.