

**Comparing Developmental States  
in the 21st Century:  
Political Foundations of State Effectiveness  
in Brazil, Korea and China.**

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**Start by stipulating a  
Conceptualization of  
“Development”**

A Consensus Definition from which few would dissent:

**Well-being/human flourishing is the aim of development.**

**BUT**, “modern economics” (endogenous growth theory, Sen, etc. etc.) have taught us that that the expansion of human capabilities is also the primary means of development, the driver of growth as narrowly and traditionally defined (i.e. long term increases in GDP per capita).

Both development and growth are about increases in the productivity of human beings - conceptually capability expansion - for which sadly, we have only the crudest and most primitive indicators - e.g. Life expectancy, education levels etc.

## My Question

What does understanding development as the expansion of human capabilities imply for our analysis of the developmental state?

**Increased centrality of  
state capacity**

**Capability expanding services are collective goods and therefore require public provision.**

**State - no longer an auxiliary actor.  
- the primarily agent of investment  
in the key developmental assets.**

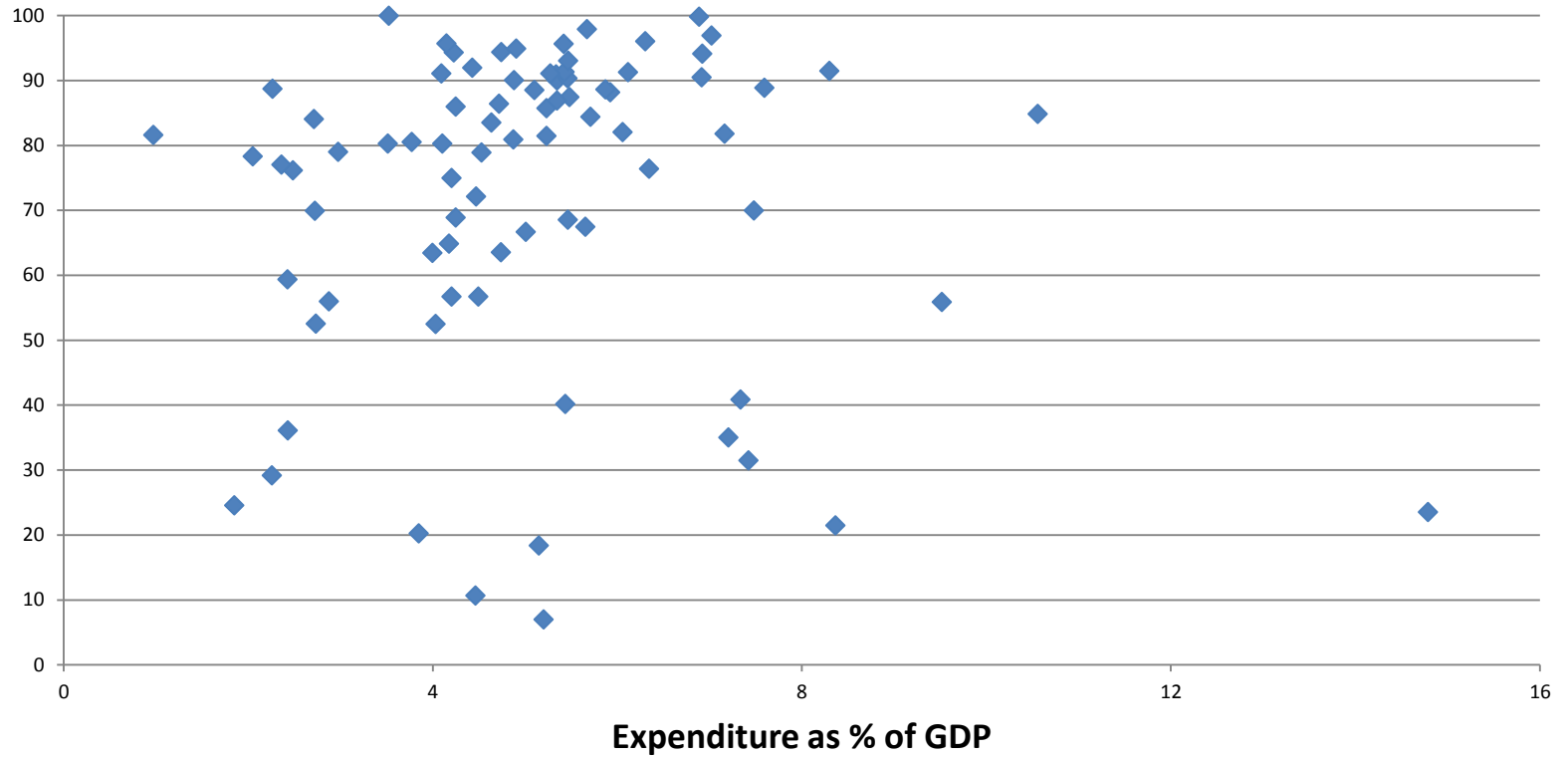


**Being able to extract resources and invest them is essential. Therefore traditional bureaucratic/technocratic capacities are essential.**

**BUT** investment must be effective.

Otherwise you get the service provision equivalent of industrial “cathedrals in the desert”

## Secondary enrolment by total public education expenditure



**The fundamental determinants of  
developmental effectiveness =**

**Politics  
and**

**State-Society Relations**

**Effective investment in capability  
expanding services requires  
Sen + Ostrom:**

**SEN: Information regarding what investments in capability expanding services will be effective cannot be technocratically adduced.**

**It must be deliberatively aggregated across a broad cross section of society and transmitted to implementing organizations.**

**OSTROM: Capability enhancing services are always co-produced by their “recipients.”**

**Without effective engagement by co-producers, delivery is likely to be ineffectual.**

**macro-level: “democracy”** in the sense of state capacity to gather and aggregate information that allow an investment strategy, that reflects what communities actually want and will use effectively.



**micro-level: “democracy” in terms of the relations between the implementing apparatuses of the state and communities, families, and individuals that will turn them from “clients” into engaged co-producers.**

**In short, active and effective state-society networks encompassing a broad cross-section of society are the key to effective investments in capability expanding services which are in turn ultimately the key to long term developmental success.**

# 3 CASE STUDIES

1. BRAZIL
2. KOREA
3. CHINA

**1. Brazil: Surprising success in the last 15-20 years (relative to the prior 500 years) in reducing inequality and improving indicators of health and education.**

# The “Heller Thesis”:

Brazil’s success is explained by:

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

# An micro cross-sectional illustration of the effects of participatory institutions on delivery of healthcare in Brazil

Average growth rate of municipal staff (1996-2008) by intensity of participatory institutions

	Low Intensity	Medium Intensity	High Intensity
Health Staff (p/ 1,000 habts)	14,1	25,6	59,7
Education Staff (p/ 1,000 habts)	2	18,3	21
Social Assistance Staff (p/ 1000 habts)	19,6	28,4	52,2

Source: Roberto Pires,  
Institute for Applied Economic Research (IPEA)

**Cross-national comparison:  
(with South Africa another middle income  
political democracy)**



Source: World Health Organization, WHOSIS Database, <http://www.who.int/whosis/en>

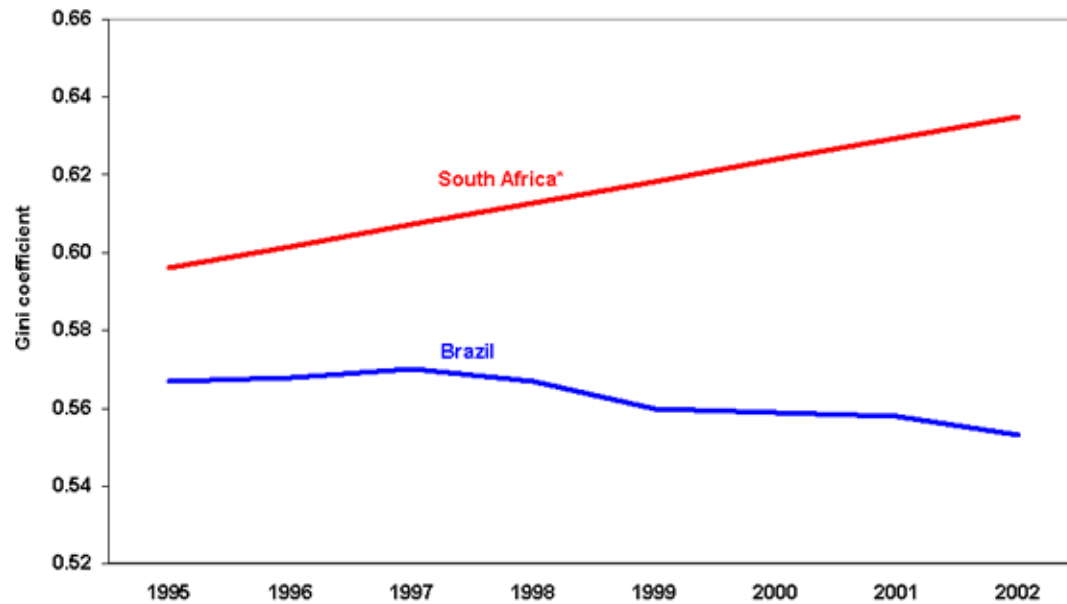




Source: World Health Organization, WHOSIS Database, <http://www.who.int/whosis/en>

# Divergence in Inequality

Figure A. GINI co-efficients for South Africa and Brazil, 1995-2002



\*South African GINI co-efficient linearly interpolated between 1995 and 2002.

Source: Data and analysis from NALEDI, South Africa ([www.naledi.org.za](http://www.naledi.org.za)) and DIEESE, Brazil ([www.dieese.org.br](http://www.dieese.org.br)).

# Why the different trajectories??

Neither lack of bureaucratic/technical capacity nor lack of investments - South Africa has relatively competent state apparatus and has made substantial investments in social infrastructure.

Seems to be a case of lack of “state capacity to gather and aggregate information that allow an investment strategy, that reflects what communities actually want and will use effectively.”

# HELLER AGAIN:

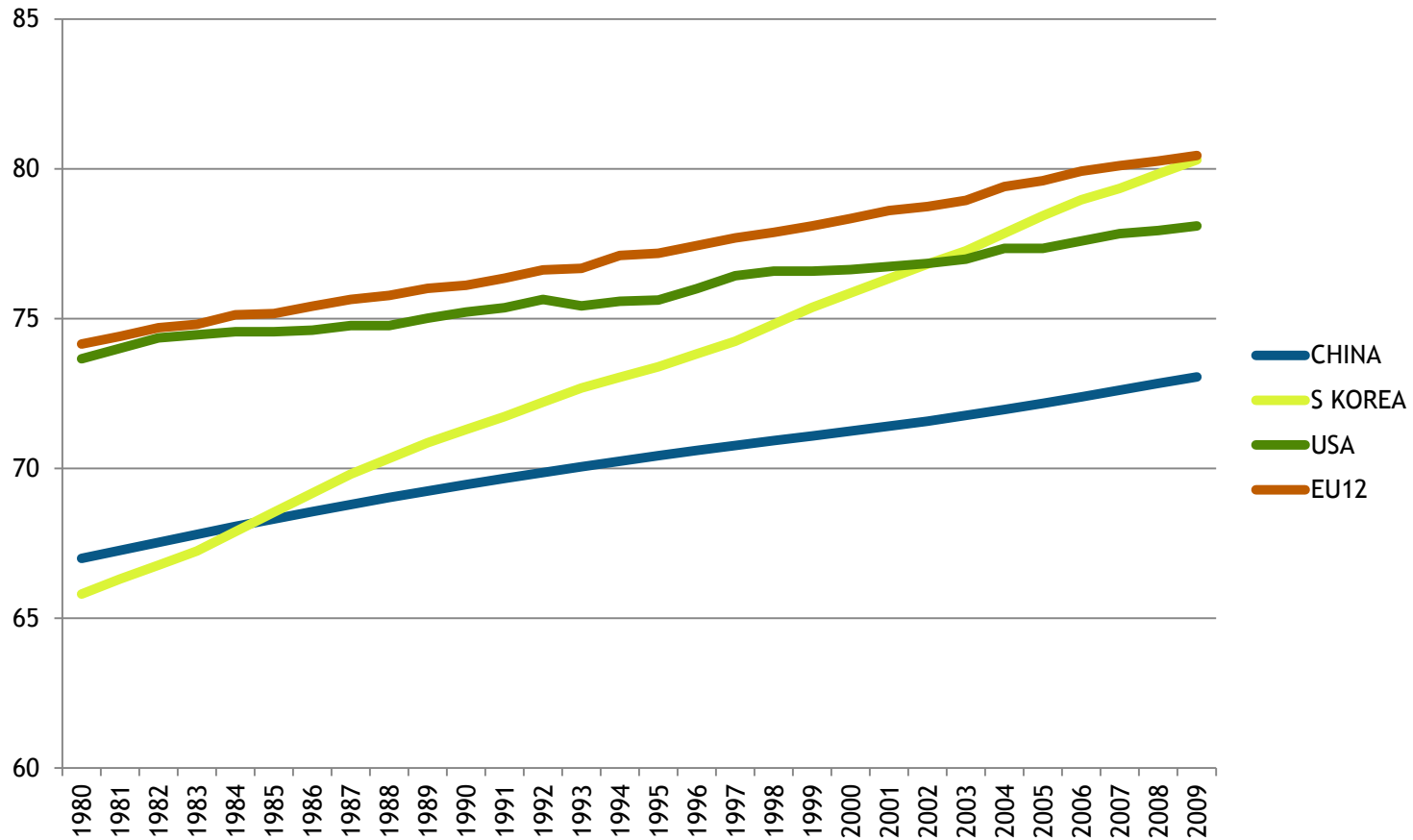
In South Africa: Broad-based civil society organizations have “become estranged from political society.” Participatory structures that were central the architecture of South Africa’s post-apartheid democracy have been dismantled or hollowed out

[ see Patrick Heller, 2011: “Towards a Sociological Perspective on Democratization in the Global South: Lessons from Brazil, India & South Africa” See also Evans and Heller, forthcoming]

**Korea:** sustained progress in capability expansion in the 1990's and 2000's, despite 97-98 financial crisis and slower economic growth compared to 1970-1990.



# Changes Life Expectancy 1980-2009



## Evolution of Infant Mortality Korea and China 1960-1999

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

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

**Explanation:** A shift from authoritarian rule toward increased political accountability coupled with expanded civil society mobilization.



## One Example - Health:

A network of “progressive doctors, academics, and former democracy advocates lobbied successfully for the introduction of single-payer national health insurance” in the early

**1990's. McGuire (2010, 300)(See also Dostal 2010, Peng and Wong,2008 Wong, 2004.)**

## Problem:

Hard to find good evidence of how state-society networks actually get the state apparatus to respond. Lack the sort of transparent institutional mechanisms that are evident in Brazil.

[Really need better research on how state society relations worked post-democratization, in the 1990's and 2000's]

[ Most interesting analysis to date = Cheol-Sung Lee, 2012]

**China: [The Mystery Case] Strong Oscillations in performance on capability expansion without obvious associated changes in the structures or processes of state-society networks, information flow, accountability or responsiveness.**

# China: Stylized Historical Trajectory

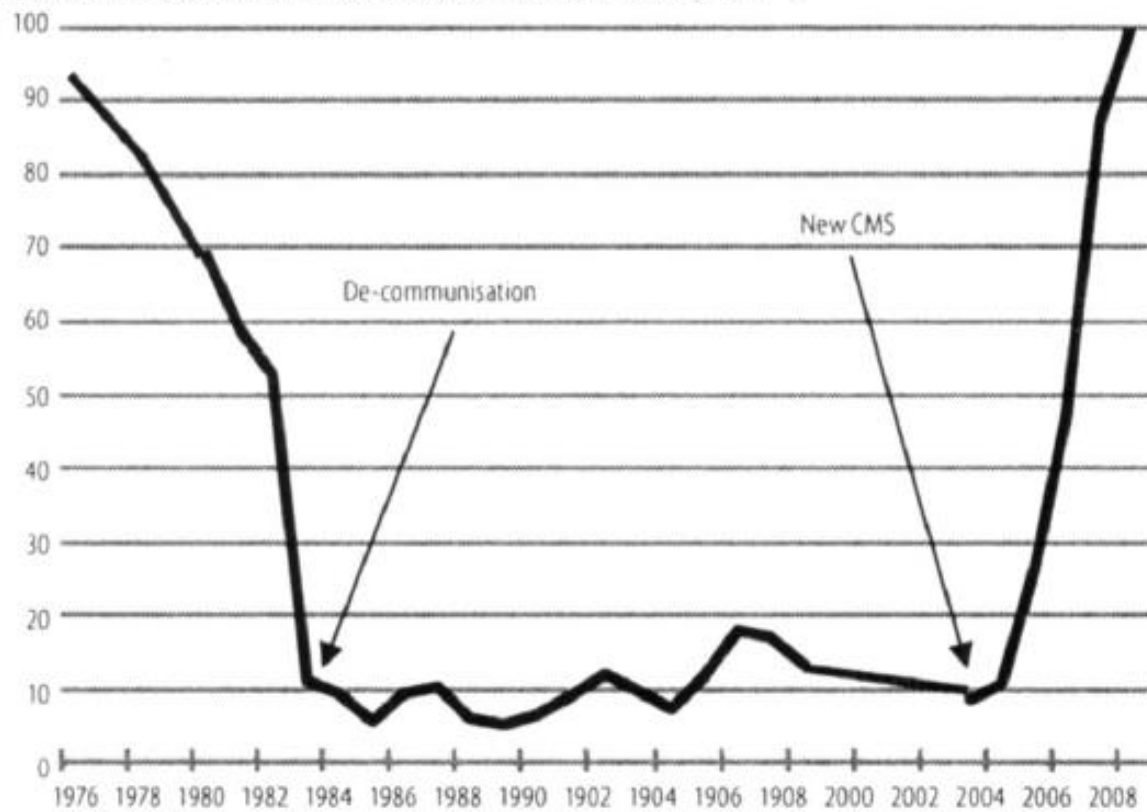
1. **Maoist Era:** “in the field of health, China was a model for the developing world” providing “an inexpensive and accessible medical care to virtually all urban dwellers and 90% of rural residents” (WANG, Shaoguang, 2008:55)
1. **“Reform” Era (beginning of 80’s):** Social protections, including universal entitlement to health care abruptly withdrawal - indicator of health performance begin to fall.
1. **Millennial Policy Shift:** Significant efforts to restore Social Protections

## Health Care Spending in China, 1978-2009

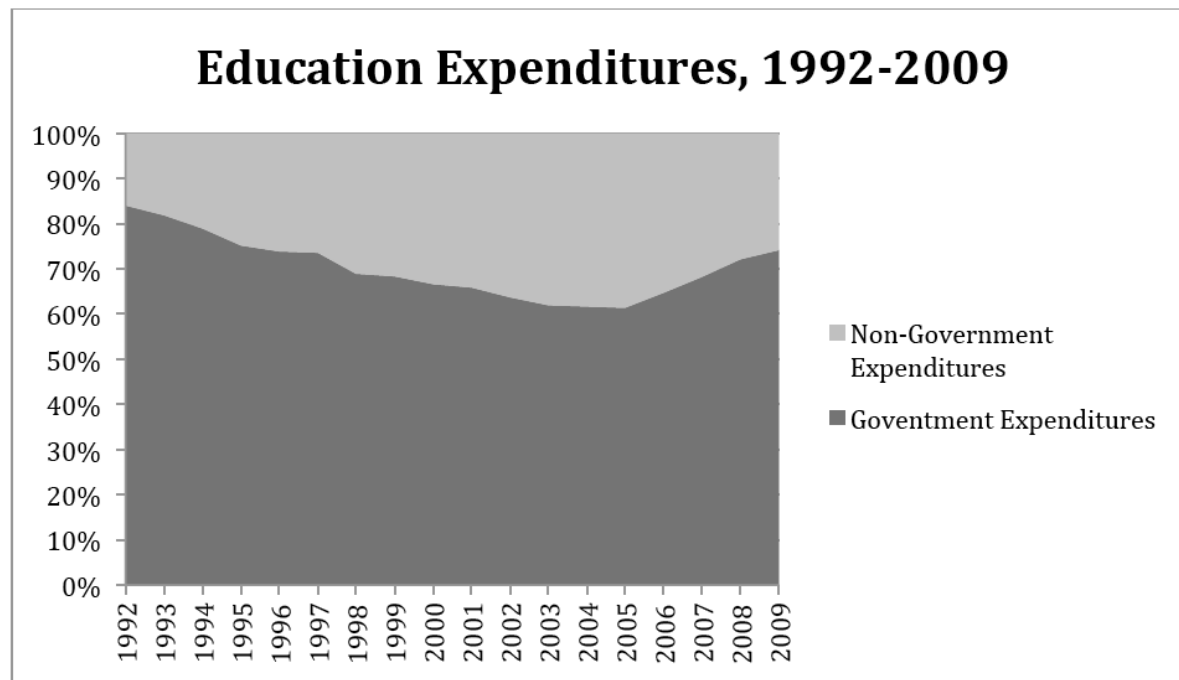


Source: NBS, 2011. *Zhongguo tongji nianjian 2011 (China statistical yearbook 2011)*. Beijing: China Statistics Press

**Figure 6: Coverage of Rural Cooperative Medical System (%)**

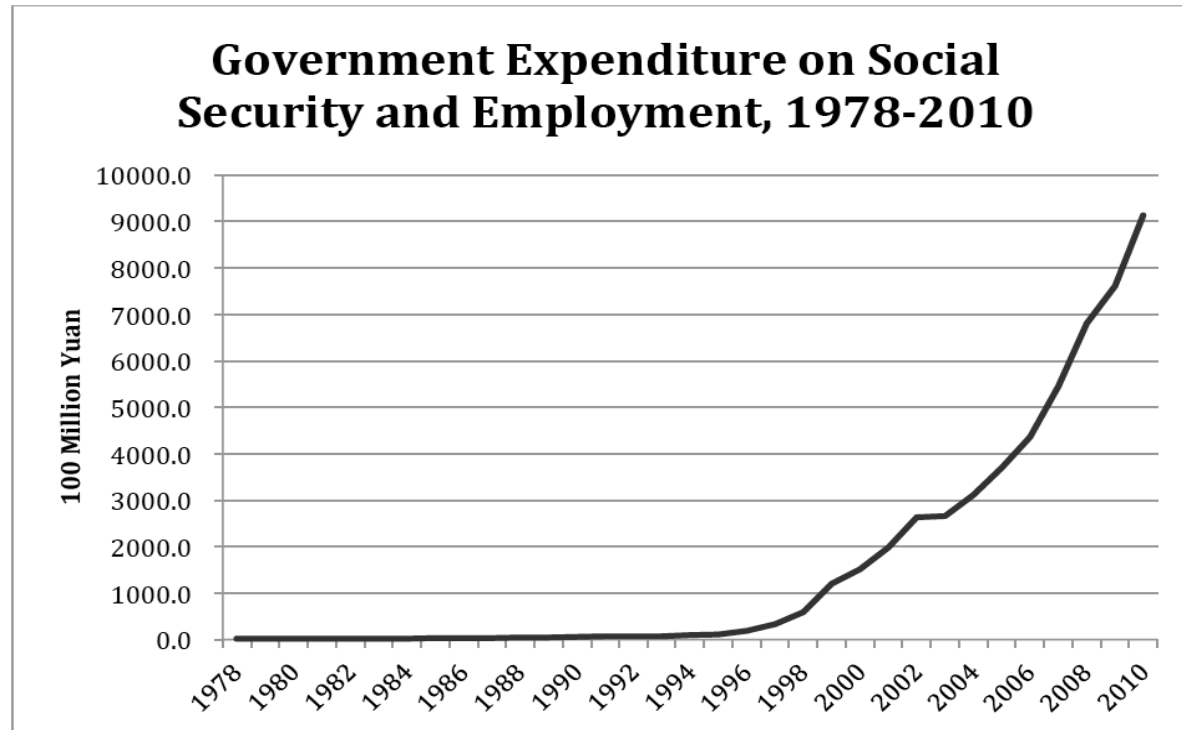


**Figure 4**



Source: NBS, 2011. *Zhongguo tongji nianjian 2011 (China statistical yearbook 2011)*. Beijing: China Statistics Press.

Figure 6



Source: NBS, 2001-2011. *Zhongguo tongji nianjian 2001-2011 (China statistical yearbook 2001-2011)*. Beijing: China Statistics Press.



# Authoritarianism as the Key?

## Drèze&Sen on China and India (2013: 15)

After withdrawal of universal entitlement to health care at the beginning of the 1980's:

“China's large lead over India in life expectancy dwindled over the following two decades - falling from a 14 year lead to one of just 7 years”

Such a sudden withdrawal of social protection could not have happened in a “functioning democracy”

**Fine for the first phase,  
not very compelling for second phase**

# WANG Shaoguang (EPW, Dec. 27, 2008:51-59)

## Polanyian “Double-Movement”

**Problem:** like Polanyi, Wang has little analysis of how social protection re-acquires political traction.

**Is it simply enlightened elites noticing problems and correcting them?**

**It is a frightened elites trying to preserve social and political stability**

Is this a “Double-Movement” driven by an authoritarian political elite rather than by society?

[A sort of “Anti-Polanyian” double-movement”? - not “society” that responds but elites]

If so, this still leaves key questions unanswered.

1. What are the networks and processes of information transfer that provide the elite with the knowledge of what is going on in society so that it can become enlightened or frightened?

2. If elite has been perceptive and responsive in restoring social provision in the latter phase, then what are the forms of networks and state-society relations that explain the earlier withdrawal phase?

More important, if my basic Sen+Ostrom model of the the conditions for effectiveness is correct, then the prognostication for the effectiveness of current investments in capability expanding investments is negative:

**Absent active and effective state-society networks encompassing a broad cross-section of society investments will be ineffectual, resulting in the social equivalent of “cathedrals in the desert”**

## Even more interesting question:

If elites are in fact deciding whether or not to invest in capability expanding collective goods and what goods to invest in, without input from effective state society networks?

If my general analysis is correct, this will result in ineffectual social equivalents to “cathedrals in the deserts”

[Current investments in urban infrastructure could offer a good test of this hypothesis.]

The recent surge of capability expanding investments in in China offers an interesting test case:

- 1) If they are in fact in taking place in the absence of active and effective state-society networks, then they should result in South Africa like ineffectuality.
- 2) If they turn out to be effective in restoring China's earlier exceptional performance in terms of indicators like life expectancy, infant mortality and educational levels, then this suggests the existence of some sort state-society networks that remain below the radar of existing understanding.



## 3 CASES IN SUM

1. **BRAZIL:** Capability expansion performance consistent with perspective: improved performance associated with electoral competition, a well-organized civil society and a relatively responsive political apparatus (state and parties).
2. **KOREA:** Relatively consistent: Sustained high performance associated with electoral competition and civil society mobilization, but mechanisms that explain state responsiveness more opaque.
3. **CHINA:** Requires a reconstruction of the perspective? Will current increases in social investments will be ineffective in replicating past performance in terms of capability expansion? Or, do we need a new model of state-society relations and capability expansion.

**THANK YOU!!**