



CHAPTER 1

Theorising Political Economy in Southeast Asia

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INTRODUCTION

This chapter discusses contending theoretical approaches to political economy relevant to the study of Southeast Asia and outlines the approach taken in the rest of this book. Whatever their differences, all scholars investigating “political economy” share a belief that economics and politics cannot meaningfully be considered or studied as separate domains. Economic developments powerfully shape political ones, while politics has an enormous impact on markets. This distinguishes political economy from mainstream (neoclassical) economics, which tends to see politics as at best an unwanted intrusion into, or “distortion” of, the smooth operation of markets, and which seeks to understand economic life in an

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apolitical, technical manner. But it also distinguishes the field from much scholarship in politics and international relations (IR), which often ignores economic matters or treats them very simplistically. For example, many comparative politics scholars focus on the nature of party systems, manifestoes, political institutions, elections and regime types, neglecting the economy except as a domain of grievances and national policy-making, while some IR scholars still persist in viewing national economies as a property of states' national power.

For political economists, by contrast, the interconnections of politics and the economy are so obvious that they are perhaps too rarely specified. On the one hand, political conflict and decisions clearly shape how markets emerge and “mediate” their operation. Even if they do not seem to substantively “intervene” in economic matters, all states (and their agents, like international organisations) engage in or regulate the provision of the basic infrastructure—hard and soft—that allows economies to function. States issue currencies and typically regulate their value to some extent. They issue laws that create markets and regulate market exchange, covering everything from imports and exports to weights and measures. However unevenly, states enforce these rules and, crucially, defend private property, by maintaining laws, police, and judicial and penal systems. States are also often big taxers and spenders. Even in Southeast Asia, which is well behind the average for developed countries, tax revenues range from 12 to 25% of GDP, while government spending accounts for 15–30% (ADB 2018: 336–337). This withdrawal and expenditure of funds has a significant impact on economic activity. Moreover, Southeast Asian states have taken a major role in guiding and producing economic development, a fact grudgingly recognised even by organisations typically hostile to economic interference by the state, such as the World Bank (1993, 1997, 2002).

On the other hand, the reverse is also true: the economy strongly influences political conflict and decision-making. At the most basic level, states survive because they tax economic activity. If the economy falters, the state itself is in trouble. That could precipitate cuts in expenditure, which might provoke social unrest or shifts in perceptions of political legitimacy. To avoid this, in a very general sense political leaders must adopt policies that promote growth. Even setting aside the much-theorised relationship between the state and capital, and changes in the balance of forces over time, it should not be surprising that, under capitalism, states exhibit a systematic bias towards the interests of business. More broadly, economic

development has a huge impact on society's basic composition. A highly industrialised economy is likely to have a large urban working class, for example, while a largely agrarian economy will have a substantial peasantry instead. An economy that has developed heavily through state leadership—as in Southeast Asia—will have a less independent capitalist class than one that developed primarily through private enterprise. A highly developed economy will have a bigger middle class, proportional to the overall size of the population, than a less developed one, and so on. This will naturally influence the kind of political actors that exist, and the strategies they can develop.

Beyond these uncontroversial truisms, however, political economists rarely agree on how to conceptualise the relationship between states and markets, and on how political outcomes shape economic outcomes and vice versa. This chapter surveys the three most important positions in debates on Southeast Asia: Weberian approaches; historical institutionalism; and the Murdoch School, also known as “social conflict theory”. This survey cannot be exhaustive, and the groupings are to some extent analytical contrivances, but they do serve to provide a reasonable overview.

The major difference between these approaches concerns how they conceptualise institutions. Weberians have primarily focused on describing the institutions seen as necessary to promote economic development. Drawing implicitly or explicitly on Weber's conceptualisation of the state, they claim that institutions—like states or market regulators—can (and ideally should) be quite autonomous from society. Notably, for the purpose of this book, they have drawn attention to the emergence of “developmental states” in Asia, which, by virtue of their bureaucratic capacity and insulation from socio-political forces, have been able to make policies conducive to development, ostensibly underpinning the so-called “economic miracle” of the post-World War II era (e.g. Evans 1995; Johnson 1982). Historical institutionalism also broadly derives from a Weberian intellectual tradition. However, the apparent withering away of the institutions associated with the developmental state has led most historical institutionalists to shift attention away from evaluating state capacity and autonomy and towards explaining institutional dynamics and how they shape a range of political outcomes, including regime types and policy-making. By contrast, for the Murdoch School, which has always been concerned with explaining a wide range of political outcomes in Southeast Asia, institutions *reflect and entrench existing distributions of power among constellations of social forces—especially class forces—within particular*

historical junctures. They evolve and operate not through autonomous political decision-making by enlightened and meritocratic bureaucracies, or specific historical legacies (paths), but through dynamic and evolving struggles for power and resources rooted in the structure of the wider national and global political economies.

This book takes the Murdoch School approach. As this chapter argues, there is little evidence that political or economic institutions are, or can be, autonomous from socio-political struggle, making Weberian approaches inadequate. Meanwhile, historical institutionalism's focus on institutional dynamics of stasis or change is hampered by an under-developed theorisation of the wider context shaping these dynamics. Especially problematic is their tendency to examine national institutional variegation in abstraction from global capitalist transformations, which shape class relations and conflict and hence institutional forms and outputs. A focus on social conflict—and in particular intra and inter-class conflict—is best placed to understand the forces that shape institutions and the ever-evolving relationship between politics and economics across multiple scales.

We have not devoted a section to neoliberal accounts of Southeast Asia's development, because we regard these as more ideological than theoretical. As Harvey (2005: 2) states, neoliberalism “proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade”. Neoliberals thus see unfettered markets as inherently superior to other forms of social and economic organisation, while politics is understood as “a set of external factors hampering the natural functioning of markets” (Rodan et al. 2006: 3). Hence, markets should be insulated from politics, to prevent their “distortion” by “vested interests” and “rent-seekers”—those able to extract disproportionate benefits for themselves due to their privileged position in the state or the economy.

This has led in practice to a rather conflicted view of the state and politics. Initially, neoliberals promoted the “rolling back” of state intervention to “free up” markets. They attacked the public delivery of services, like education, health and welfare, as inefficient, and derided the redistribution of wealth via progressive taxation as stifling entrepreneurial freedom and creativity. This approach shaped the international financial institutions' imposition of structural adjustment on many developing countries in the 1980s. However, this “roll-back neoliberalism” spurred widespread societal resistance and often failed to produce the buccaneering

entrepreneurialism and liberated markets envisaged. Accordingly, from the late 1990s onwards, neoliberals have conceded that markets require institutional support to function properly. They have thus shifted from “rolling back” the state to specifying the sorts of institutions that should be crafted, intervening deeply within developing countries to support this (Carroll 2010, 2012; Rodan and Hughes 2014). Neoliberals thereby unconsciously adopted Weberian concepts of “state capacity” and “autonomy”, while retaining a normative commitment to liberal markets. Unlike Weberians, however, they only value states’ capacity to support liberal markets (see Carroll 2010; Hameiri 2009). Nonetheless, neoliberalism cannot be considered a unique *theoretical* approach for political economy analysis, notwithstanding its undoubted *ideological* force.

WEBERIAN APPROACHES AND THE DEVELOPMENTAL STATE DEBATE

Weberian approaches to Southeast Asia’s political economy are part of an important stream of political science dating back to the German sociologist Max Weber (1864–1920). These approaches seek to explain development patterns by virtue of the variable capacity of states to generate and direct economic growth. In Southeast Asia, they have emerged as a subset of the wider, long-running debate over whether market liberalisation or state intervention explain capitalist East Asia’s remarkable, though clearly uneven, post-war economic development.

The Weberian tradition is varied, but tends to converge around Weber’s understanding of the modern state as a set of bureaucratic institutions standing above and dominating society, ultimately by virtue of its exclusive control of the legitimate means of violence (Anter 2014; Weber 1978: ch.11). Weber recognised that this “ideal type” did not always exist. However, Weberians typically postulate that if a state is effectively insulated from societal pressures and has sufficient bureaucratic capacity, this potentially allows it to play a major role in economic and social development. Indeed, some of the earliest thinking about political economy—from authors like Friedrich List and statesmen like Alexander Hamilton—argued that the state *must* do this in more “backwards” countries, were they to have any hope of “catching up” with more developed ones. Understandably, this interest was revived after decolonisation by authors including Gerschenkron, Kuznets and Myrdal, who saw the

post-colonial state as a potential agent of economic modernisation. In his highly influential book, *Political Order in Changing Societies*, Samuel Huntington (1968) argued that the collapse of many post-colonial democracies into dictatorships was part of this process, whereby states would finally acquire the ability to control unruly societies and push forwards economic development.

Weberianism became prominent in political science and political economy from the mid-1980s and constituted the main opponent to ascending neoliberal positions—which emphasised the problematic relationship between the state and economy—and Marxist work which posited that the state was a reflection of particular constellations of class forces. A signal contribution was Evans et al.’s (1985) collection, *Bringing the State Back In*, which argued that earlier Marxist and pluralist approaches had wrongly depicted state policies as reflecting societal interest groups’ preferences. Conversely, Skocpol (1985: 9) maintained:

States conceived as organizations claiming control over territories and people may formulate and pursue goals that are not simply reflective of the demands or interests of social groups, classes, or society. This is what is usually meant by “state autonomy”... one may then explore the “capacities” of states to implement official goals, especially over the actual or potential opposition of powerful social groups or in the face of recalcitrant economic circumstances.

These key concepts of state “autonomy” and “capacity” became central to Weberian explanations of economic and political development, particularly late development in Asia. Put simply, where a state was “strong” (i.e. it enjoyed high “autonomy” from society and sufficient bureaucratic “capacity” to regulate it), political and bureaucratic elites could effect dramatic transformations (see Fukuyama 2013). Conversely, where a state was “weak” relative to its society, it would be overwhelmed by particularistic interests like rent-seeking elites or ethnic groups and therefore unable to prioritise the wider public good (Migdal 1988).

Applied to East Asia, this approach is most prominent in the literature on the “developmental state” (e.g. Amsden 1989; Johnson 1982; Wade 1990). Weberians explained the region’s rapid economic growth by virtue of the emergence of “strong” states, insulated from particularistic interests and characterised by “centralised economic planning; elite technocracies; strong state involvement in seeding capital formation; and the use of

industrial policy to allocate state credit and protection, and nurture fledgling industries” (Carroll and Jarvis 2017: 3). Skilled technocrats’ institutional insulation from special interests ostensibly allowed them to redirect resources from rent-seeking and low value-added activities, like agriculture, towards manufacturing, industrial upgrading, and more recently services and even “green growth”, thus maintaining national competitiveness (see Amsden 2001; Thurbon 2016). Conversely, the lagging behind of regions like sub-Saharan Africa was explained as a function of “weak” states lacking such institutional arrangements, instead producing neopatrimonial governance (e.g. Bratton and de Walle 1994). For Weberians, the strong Asian state has survived even the onset of globalisation. Against widespread arguments that globalisation weakened states, forcing them to adopt neoliberal policies, authors like Linda Weiss (1998) argue that states’ “capacities” may allow them to steer industrial and institutional transformations so as to benefit from burgeoning trade and investment, while resisting harmful flows.

While Weberian approaches have been very powerful, especially in pushing back against neoliberal dogma throughout the 1980s and 1990s, they nonetheless have five serious drawbacks. First, it is never entirely clear where states’ “capacities” come from. The implication is that they simply inhere in particular institutional arrangements, e.g. an economic planning unit that does not have to consult elected politicians or industrial interests, or a highly efficient tax-collection bureaucracy. However, if these “capacities” truly emerged merely from a particular institutional set-up, then it would be far easier to replicate them across states than has proven to be the case (see Routley 2014). In reality, efforts to “build” states encounter enormous socio-political contestation, which in practice determines state “capacity” (Hameiri 2009). For example, the routinisation of tax-collecting is a highly fraught process, with ruling elites struggling to extract resources from subjects (Martin et al. 2009). Today, powerful economic interests are using the threat or practice of offshore relocation to compel governments to reduce tax rates or weaken enforcement, even—indeed, especially—in the world’s “strongest” states, shunting the tax burden onto poorer social groups (Palan et al. 2010). The Weberian “fetishism” of institutional arrangements incorrectly “decontextualise[s]” the state from the “underlying social relations of class and the distribution of power, production, and wealth” on which its particular institutional arrangements are always based (Carroll and Jarvis 2017: 8; Jayasuriya 2005).

Second, it is not clear how states can ever be truly “autonomous” from their societies. As early critics of the 1980s Weberian revival pointed out, efforts to empirically identify the exact demarcation between a state and its society always fail (Cammack 1989: 267–269; Jessop 1990: 287). On close inspection, the boundaries actually appear “elusive, porous, and mobile”, with state officials enjoying close political, economic, personal or other relations with particular social groups (Mitchell 1991: 77). Indeed, it is difficult to see how a truly “autonomous” state could function, lacking any organic link to society. The Weberian scholar Peter Evans (1995) recognised this, noting that the bureaucrats of Asia’s “developmental states” actually depended for their success on close working relationships with major industrial interests. He attempted to salvage Weberianism by calling this “embedded autonomy”, but this is clearly a contradiction in terms.

Third, the “developmental state” model is arguably a poor empirical fit for Southeast Asia. It was designed predominantly to explain Northeast Asia’s “tiger economies” (Japan, South Korea and Taiwan), and only latterly extended to Southeast Asia. However, it was immediately clear that only Singapore seems in any way to exhibit the venerated attributes of state “autonomy” and “capacity”. Other Southeast Asian states are much more clearly in hock to special interest groups, leading to doubt as to whether they qualify (even the Singaporean case is dubious—see below) (Jomo 1997; Stubbs 2009). Since several of these states have, nonetheless, achieved remarkable growth rates, this undermines Weberians’ core explanatory mechanisms (and, ironically, contemporary neoliberal positions, which also emphasise institutional integrity as necessary for economic development). Others have even argued that corruption has been beneficial for Southeast Asian development, completely inverting the Weberian model (e.g. Wedeman 2001).

Fourth, Weberian reliance on “ideal types” leads to an unproductive focus on charting deviation from idealised *models*. For example, since Malaysia does not conform entirely to the “developmental state” model, it is described as a “semi-developmental state” (Rhodes and Higgott 2000). This problem also occurs in the more recent institutionalist literature, discussed in the next section. Measuring deviation from some idealised standard, while tempting for those searching for developmental solutions, is a rather fruitless academic activity, producing endless typologies but very little in the way of explanation of why these regime forms exist and how they operate in practice.

Finally, Weberians’ “institutional fundamentalism” (Carroll and Jarvis 2017: 8) leaves them increasingly unable to explain, or even adequately describe, the transforming nature of East Asia’s developmental states. Particularly since the 1997 Asian financial crisis (AFC), there has been growing recognition that the “developmental state” form no longer describes many regional countries (Stubbs 2009). For example, many states have liberalised their financial sectors, moving away from state-directed credit allocation to market-based mechanisms (Rethel 2010). The corporations of Japan, South Korea and Taiwan, subjected to increasing competition under globalisation, are also less interested in maintaining the job-for-life workforce that was part of their earlier growth models (Kalleberg and Hewison 2013). Reflecting their reliance on “ideal types”, Weberians have been torn between asserting the continuation of the “developmental state”, or arguing that it has been replaced by a “neoliberal state” (see Hayashi 2010; Thurbon 2016; Wade 2018). This debate over whether “states” or “markets” drive Asian development today rests on a problematic distinction between the two, and does little to explain changing state–economy relations (Carroll and Jarvis 2017). In any case, the apparent withering away of the developmental state in Asia generally, and Southeast Asia specifically, has decreased scholarly interest in evaluating “state capacity” and “autonomy”, and led to a partial convergence of the Weberian literature with the wider “new institutionalism” in political science, which is explicitly concerned with explaining institutional change.

HISTORICAL INSTITUTIONALISM

The “new institutionalism” is a very large, diverse body of scholarship concerned with understanding how actors’ behaviours are “shaped and conditioned by the institutional contexts in which they operate” (Bell 2002: 363). Unlike “old institutionalists”, these scholars define institutions very broadly, as “any form of constraint that human beings devise to shape action” (North 1990: 4), including rules, laws, norms, routines, or conventions. However, they hark from different institutionalist traditions and, thus, disagree on key propositions, such as how to “construe the relationship between institutions and behaviour and how to explain the process whereby institutions originate or change” (Hall and Taylor 1996: 937). Hall and Taylor (1996) identify three distinct “schools of thought”: rational-choice institutionalism, sociological institutionalism, and historical institutionalism (HI), with “discursive institutionalism” subsequently

added to this list (Schmidt 2008). We focus on HI as the school most relevant for studies of Southeast Asia.

There are two basic HI approaches. The first sees institutions as “path-dependent”—relatively fixed structures, shaped by historical legacies, which strongly constrain agency. From this perspective, political and economic outcomes result from historically inherited institutional arrangements. Significant institutional change happens rarely, during “critical junctures”, where some external “shock” causes disruption, allowing agents to reconfigure institutions (Capoccia and Kelemen 2007). When these institutions bed down, they go back to locking in certain patterned outcomes. Hence, historical change is seen as a “punctuated equilibrium” (Capoccia 2015: 148).

In political economy, this approach has been used to explain particular patterns of economic governance. In practice, HI analysis has often been quite Weberian; indeed, Evans et al.’s (1985) *Bringing the State Back In* is often considered an early HI publication (Hall and Taylor 1996: 938). The predominant application of HI in political economy, however, is the vast “Varieties of Capitalism” literature, which seeks to explain different patterns of development with reference to the institutionalised relationships between firms, governments and other actors. Hall and Soskice (2001), who launched this research agenda, distinguish between liberal market economies (LMEs) and coordinated market economies (CMEs). In LMEs, firms’ relations with other actors, like governments, are mediated by markets, while in CMEs they are organised through non-market mechanisms, especially governmental institutions. Because neither ideal-type accurately describes national economies in Asia, studies of “Asian varieties of capitalism” have tended to add on more typologies, such as “hierarchical market economy” (Moore 2018: 12; see also Walter and Zhang 2012). In one extreme case, Andriess (2015: 76) develops a unique typology for practically every Southeast Asian country. Vietnam is thus described as “post-state capitalism”, Laos as “frontier capitalism”, Singapore as “open-led state capitalism”, Indonesia as “oligarchic capitalism”, the Philippines as “inequality-trapped capitalism” and so on.

In Southeast Asia, this HI variant has been more commonly deployed to analyse political regime dynamics, particularly the longevity of authoritarianism. Optimism around the end of the Cold War that the “third wave” of democratisation would triumph in Southeast Asia has subsequently given way to the sober realisation that many regimes were not transitioning towards democracy (Carothers 2002). Institutionalists have

tried to explain this by highlighting the existence of “hybrid regimes” combining democratic and authoritarian elements. The result has again been endless typologising, based on qualifying adjectives: “partial democracies” (Robinson 2003), “defective democracies” (Merkel and Croissant 2004), “deviant democracies” (Seeberg 2014), “competitive authoritarianism” (Levitsky and Way 2010), “semi-authoritarianism” (Ottaway 2003), and many more. Similarly, institutionalists have examined the use of rigged elections to perpetuate “electoral authoritarianism” (e.g. Morgenbesser 2016).

This approach has several interlinked weaknesses. First, owing to its Weberian roots it is predominantly descriptive and evaluative, not explanatory. Categorising a country as this or that kind of economy or regime, or measuring how far it departs from some idealised model, does not explain *why* particular institutional forms exist—it merely labels and describes them (Rodan 2018: 18; also Jayasuriya and Rodan 2007; Rodan and Jayasuriya 2012). Secondly, HI tends to give institutions primary causal status, while institutions themselves are only weakly explained as a legacy of historical development. This neglects the role of human agents in contesting and reshaping institutions. For example, the “electoral authoritarianism” literature clearly suggests that authoritarian regimes can *manipulate* institutions to perpetuate themselves (Pepinsky 2014). Thus, far from institutions determining the form of regime, it is actually forces within a regime that determine how institutions work in practice. Similarly, when HI political economists try to explain why Southeast Asian states diverge from the “developmental state” model, they ultimately point to the underlying political coalitions underpinning those regimes (e.g. Haggard 2004). For example, Doner et al. (2005) explain why developmental states emerged in Korea, Taiwan and Singapore, but not elsewhere in Southeast Asia, by highlighting elites’ need to generate “side payments” for restive populations during the Cold War.

Third, this neglect of agency makes it hard for HI to explain change. As Thelen and Steinmo (1992: 15) note, institutions apparently explain everything except when, suddenly, in “critical junctures”, they explain nothing, with attention switching entirely to agents and outcomes apparently entirely up for grabs. In reality, some “critical junctures” lead to radical change, others to continuity (Legro 2000: 419). For example, HI struggles to explain why the 1970s stagflation crisis in Western economies fundamentally transformed the institutions governing global capitalism (see Carroll, this volume), but the 2008 global financial crisis (GFC) did

not. This reflects HI's limited engagement with the agential struggles shaping institutional developments, and its tendency to treat institutions as "external to—even if influenced by—broader power structures" (Jayasuriya and Rodan 2007: 775).

Finally, this variant of HI is restricted by its "methodological nationalism"—the tendency to take "national discourses, agendas, loyalties, and histories for granted without problematising them, or making them an object of an analysis in its own right" (Wimmer and Glick Schiller 2002: 304). It is simply assumed that national institutions follow distinctive pathways that produce national variation, which scholars then categorise and compare. This ignores, however, "evidence of systemic interdependence and contingent convergence" across countries, stemming from the structures of the capitalist system as a global whole (Peck and Theodore 2007: 761). Although local institutional variegation exists, it is grounded in wider capitalist structures and class relations, which also shape agents' relative power to effect change.

Attempts to remedy some of these problems are found in a second, "incrementalist" variant of HI, though this has been scantily applied in Southeast Asia. Rather than prioritising institutions, these scholars see agents and institutions as constantly shaping one another (Bell and Feng 2013). Accordingly, change can be small-scale and "incremental" over time, rather than large-scale and only during "critical junctures" (Mahoney and Thelen 2009). Institutions are still seen to exert considerable constraint, but agents are viewed as "strategic actors" that may exploit opportunities offered by "shifting contextual conditions" to change institutions in desired ways (Thelen and Steinmo 1992: 17). This approach usefully moves HI towards considering how institutions are politically produced. However, the wider "context" shaping this process is vaguely specified and "treated in an *ad hoc* way" (Bell and Feng 2014: 198). This problem, again, relates to HI's failure to locate particular institutional forms and agents' power within the wider structural context of capitalism (Peck and Theodore 2007: 761). The Murdoch School, on the other hand, approaches institutions very differently.

THE MURDOCH SCHOOL

The "Murdoch School" is a label applied to a body of work originating with scholars initially based in the Asia Research Centre at Murdoch University in Perth, Western Australia. Whereas Weberian and

institutionalist accounts have often neglected Southeast Asia, the Murdoch School has been primarily focused upon, and made a major impact on, the study of Southeast Asian politics, and the wider study of political economy, comparative politics, development and, most recently, international relations.

Foundational Assumptions

The Murdoch School is grounded in a humanist, flexible tradition of Marxist analysis traceable to the Italian theorist Antonio Gramsci (1891–1937) and subsequently developed by Nicos Poulantzas (1978) and Bob Jessop (1990, 2008), though early works also drew on non-Marxist scholars like Barrington Moore (1966), Alexander Gerschenkron (1962) and Karl Polanyi (1957 [1944]). At the heart of this approach is the insistence that political outcomes are primarily determined by struggles between socio-political forces, especially social classes and class fractions, but also ethnic, religious, gendered and state-based groupings. Such groups have different social, economic and political positions, resources and agendas, and they struggle against one another to obtain power and control over resources, forming coalitions to advance and defend their interests.

In this tradition, institutions are never neutral. Because they distribute power and resources, they are always fought over—sometimes violently—by social groups seeking to entrench their preferences as policy, to empower themselves and/or their allies, and to direct resources towards favoured entities. Institutions—most importantly, state institutions—are therefore seen as a contingent outcome of political struggle, or what Jessop (2008: 133), following Poulantzas, calls a “condensation of the balance of forces”. Thus, institutional forms, such as political regimes or economic regulations, emerge from social conflict.

However, the “balance of forces” in a given society is rarely static, especially under capitalism. The constant revolutionising of the means of the production, the pressure to extract greater surplus value from labour, the onset of capitalist contradictions, the ceaseless expansion of commodity relations into new geographies and social domains, tend to generate rapid and significant social transformations, creating new classes and class fractions, “winners” and “losers”, which may challenge existing institutional arrangements and hegemonic ideologies. Such changes in the “balance of forces” may generate changes in the form and content of institutions and policies, but this depends on the resources, strategies and struggles of the

forces at work. Those benefiting from existing arrangements will resist change and may be able to limit reform, or subsequently stymie the operation of new institutions. In some cases, dominant elites may be able to lead institutional transformation without losing power to subordinate forces—what Gramsci called “passive revolution”. By the same token, if institutions are reformed but the underlying “balance of forces” remains unchanged, we would expect reform outcomes to be limited, because dominant social forces are likely to ignore, evade, or undermine the reformed institutions.

Importantly, these struggles are always located within evolving, global social relationships. Even the most localised contest is ultimately nested within a wider set of power relations that now span the globe. As Marx and Engels (1848: 16) famously observed, 153 years before China joined the World Trade Organisation, capitalist development has spread investment, production and trade networks “over the entire surface of the globe... batter[ing] down all Chinese walls”. In today’s era of “globalisation”, the world market is even more of a reality. Excepting a few isolated tribes, it leaves no community untouched. Capitalist development has fundamentally reshaped even apparently pre-capitalist social classes. Landlords, backed by state allies, enclose smallholders’ farms into large plantations to grow cash crops for export, transforming themselves into export-oriented agrarian capitalists and former peasant farmers into agricultural workers, whose labour is suddenly priced globally against their peers. Other peasants move to cities, to work in factories supplying transnational production chains, or in the burgeoning informal services sector and insecure “gig” economy. Large middle classes have emerged across the developing world, including Southeast Asia, some of them servicing multinational enterprises. Capitalism’s global development thus continually reshapes individual societies—the groups of which they are composed and their relations—and how societies relate to one another. Equally, the endless cycles of accumulation and crisis inherent to capitalist development create dislocations and opportunities to which domestic social groups and state managers must respond. It is impossible to pursue export-led growth, for example, without foreign investment to begin production, and effective demand in foreign countries to absorb what is produced. And as formerly national economies seek to attract foreign investment for export-led industrialisation, or integrate into transnational value chains, the range of choices available to policy-makers and social groups changes, providing new opportunities for some while severely circumscribing options for

others. For the Murdoch School, then, the crucial “context”—only vaguely specified by institutionalists—is the global set of class relations attending capitalism, and the manner in which these relate to locally varied patterns of investment, production and consumption, as well as geopolitical contestation.

Thus, scales such as “local”, “national” or “global” should not be approached as discrete “levels of analysis”, but as parts of a single “social whole” (Brenner et al. 2003: 16). In the early post-war decades, it was easy to lose sight of this fact, because local and global institutional arrangements were all focused on the consolidation of *national* states, societies, and economies. In the West, this involved “corporatist” compacts between business, labour and state managers, with Keynesian interventions used to reduce uneven development and share national wealth. In post-colonial countries, state managers focused on “nation-building”, often adopting import-substituting industrialisation strategies to build up their own national economies. However, the 1970s’ crises of capitalism led to intense social conflict and the breakdown of these arrangements. The victors of these conflicts—emblematised by Thatcher and Reagan—dismantled national protections, unleashing businesses to globalise. Post-colonial state managers increasingly adopted strategies to attract transnational enterprises and capital (see Carroll, this volume). The national scale thereby lost its taken-for-granted primacy, with power increasingly shifting to other scales, like city-regions, transnational production networks and regional economic groupings (Jessop 2009).

Accordingly, it is important to situate the analysis of any particular political economy development within its wider, global context. While earlier Murdoch School work focused on the development of particular national economies, societies and states, it is now clear that social relations are no longer contained within national boundaries, making such “methodological nationalism” inappropriate. This is a key motivation for our shift, in this book, from a country-based analysis to one based on issues and sectors. National states do remain crucial points where struggles for power and resources occur; they are not mere “transmission belts” for neoliberalism (see Bieler and Morton 2018: 119). Nonetheless, the transnationalisation of economic flows has also generated pressures to reconfigure the state, to attract and manage these flows. Accordingly, more recent Murdoch School scholarship has focused on “state transformation” as a key dynamic (e.g. Hameiri and Jones 2015), with social forces increasingly

contesting the reassignment of authority to institutions beyond the national scale (see Al-Fadhat, and Jones and Hameiri, both this volume).

To illustrate how the Murdoch School framework is applied in practice, consider a simple, hypothetical example of government procurement rules. Such rules determine who will receive potentially lucrative state contracts, on what terms, and by what process. Given the resources at stake, the institutional arrangements are likely to be of considerable interest to businesses that could receive contracts, the political and bureaucratic elites who might selectively allocate them, and the taxpayers, banks, or aid donors who ultimately finance them. From a Murdoch School perspective, these contending interests will naturally seek to influence the development of procurement rules and how they are applied in practice. What ultimately emerges depends on the forces at work: their interests, resources, ideologies and strategies. And this will partly depend on the global power relations in which they are nested. For example, a highly aid-dependent state may be strongly pressured by donors to develop neoliberal policy templates favouring the private sector or even to open up bidding to foreign businesses, which are also likely to push strongly for such measures. Alternatively, international rankings and benchmarking of pro-market governance may create competitive pressures to conform, with deviation penalised by increased borrowing costs and diminished investment. Thus, “international” actors, resources and ideologies can be directly involved in apparently “local” struggles. Conversely, a regime that is strongly backed by overseas patrons, for ideological or geopolitical reasons, may be relatively insulated from any such pressures, allowing elites to craft institutions that funnel contracts to their domestic clients in exchange for political support. Cambodian leader Hun Sen’s increasingly cosy relationship with China, involving military aid, loans and infrastructure investment, is emblematic here.

Understanding Institutions

From this perspective, crafting developmental institutions involves a process of socio-political contestation, whose outcomes will shape the form and operation of institutions. Given the economic and political resources at stake, it will take tremendous political struggle to create institutional arrangements approximating “Weberian” ideal types, where bureaucrats sit in splendid isolation, rationally allocating resources without any political “interference”. Nor, contra institutionalism, is this simply a question of

excluding “spoilers” through clever “institutional design”. It is a question of power, strategy and struggle. If neoliberal technocrats were extraordinarily powerful, they *might* be able to craft procurement rules and processes that prioritise efficiency and value-for-money. However, where (local or international) businesses and political interests can influence the process, they may shape the rules so as to privilege particular interests, and/or influence decision-making institutions, formally or informally. This could take the form of measures explicitly designed to benefit particular social groups, such as ethnic quotas, or apparently innocuous requirements, such as levels of capitalisation, that funnel contracts towards a small number of dominant companies. Crucially, the Murdoch School views such outcomes as a normal, routine part of politics, not an aberrant deviation from an “ideal type”. Murdoch Scholars have therefore sought to explain institutional forms and their operation *in their own terms*—as a product of socio-political struggle—rather than simply lamenting their “inefficiency” or trying to explain or remedy the gap between reality and an idealised model.

This perspective leads to a very different understanding of “developmental states” than that proposed by Weberians. For Murdoch Scholars, the state simply cannot be “autonomous” or “insulated” from society; whatever its appearance, it will always be shaped by socio-political conflict. Accordingly, it is always imperative to trace the institutional form of state and market arrangements to the interests and strategies of specific social forces, some of which lie beyond the nation-state. These institutions may be relatively autonomous from certain societal groups, but they will be heavily “penetrated” by, or skewed towards the interests of, others. Jessop (2008) calls this “strategic selectivity”: institutions are always more open to, or biased towards, certain forces and agendas than others. From this perspective, Southeast Asia’s “developmental states” cannot simply be understood as the invention of clever bureaucrats. Rather, they emerged from the often-violent social conflict that marked the post-independence decades. After the ravages of colonialism and World War II, radicalism and communism had widespread appeal across the region, terrorising the slender strata of elites that inherited Asia’s post-colonial states. Their use of state institutions to promote economic “growth with equity” was a clear attempt to manage this unrest and avoid social revolution (Felker 2009). As noted above, some of the more critical institutionalists accept this point (e.g. Doner et al. 2005; Slater 2010), but the Murdoch School always gives such conflicts analytical primacy.

Crucially, moreover, these “local” struggles occurred within a global set of power relations, which strongly shaped their course. Economic development did not emerge simply because some inventive technocrats, shielded from politics by well-crafted institutions, could select “correct policies” that other countries might copy to achieve the same result. It occurred—indeed, it could *only* have occurred—within a highly specific set of global dynamics, specifically the Cold War and the onset of what we now call “globalisation” (see Carroll, this volume). In the early post-colonial period, like the rest of the Global South, Southeast Asian governments largely pursued import-substituting industrialisation (ISI) strategies, with rather modest results. However, they were tremendously boosted by the rapid emergence of “hot” Cold War conflicts—first in Korea, then Indochina—which spurred demand for commodities like tin, oil and rubber, plus agricultural produce (Stubbs 2005). The foreign exchange earned, coupled with extensive Western economic and military aid, allowed resources to be directed into domestic development projects. This laid the foundation for a gradual shift towards export-oriented development. However, for most regional states this could only occur fully following further global developments. First, the 1970s crisis of Western capitalism depressed Western demand, leading to a collapse in commodity prices, rendering existing development strategies defunct. Second, a longer-term consequence of this crisis—coupled with important techno-logistical developments—was the outsourcing of production from existing industrial centres to developing countries, especially in Asia, to benefit from lower wages and thus higher profitability. In Southeast Asia, this trend was reinforced by the appreciation of the yen against the dollar following the 1985 Plaza Accord. This made Japanese exports more expensive, prompting Japanese industrialists to offshore production to developing Asia, where wages were lower, to reduce costs. This played a major role in Southeast Asia’s industrialisation (Stubbs 2005). Thus, it was only this new international division of labour that allowed Southeast Asian elites to adopt export-oriented development strategies, by inserting parts of their economies into globalising chains of investment, production and trade (Higgott and Robison 1985).

We can illustrate this alternative interpretation of the “developmental state” by considering the example of Singapore. Weberians and institutionalists depict Singapore as an archetypal developmental state, run by a highly autonomous, “quasi-authoritarian”, technocratic and “meritocratic” political elite. Members of this elite happily take full credit for the

city-state's transformation from "third world to first", parading around the globe to teach other countries how to copy them. In fact, as Rodan's (1989) pioneering study showed, the Singaporean state emerged from a highly peculiar, non-replicable set of social conflicts, and is not as autonomous as it superficially appears. In the 1960s, the People's Action Party (PAP) fought and destroyed the political left, suppressing and regulating independent political activity thereafter. However, the PAP leadership also consciously spurned the local, ethnic-Chinese bourgeoisie, suspecting their loyalty and doubting their capacity to industrialise Singapore. Instead, the PAP courted international capital, while establishing Government-Linked Companies (GLCs) as dominant business entities. They deliberately created widespread state dependency among ordinary citizens, particularly in housing and employment, and among many local businesses, which came to rely on government contracts and GLC activity. This constellation of forces, which occurred within a unique period of the global political economy, created considerable leeway for the PAP, generating the appearance of insulation and autonomy.

However, the PAP's strategy actually makes the regime heavily dependent on international and government-linked capital. Local growth depends critically on global market conditions, requiring recurring structural adjustments to maintain Singapore's "international competitiveness" (i.e. attractiveness to footloose international capital), usually at the cost of worker welfare. Hence, for example, economic downturns consistently result in wage suppression, tax cuts and investment incentives, rather than Keynesian pump-priming. For instance, in the late 1980s, as rising wages made Singapore less attractive for low-value-added manufacturing, the PAP adopted measures to close down inefficient industries and encourage higher-value-added production and the development of a services sector. This caused significant social dislocation, prompting working class voters to desert the PAP, though state control of trade unions restricted their capacity to express discontent. Conversely, the regime's dependence on GLCs and foreign capital gives rise to corporatist arrangements whereby businesses are incorporated directly into decision-making. For instance, Singapore's National Wages Council includes representatives of the US, German and Japanese chambers of commerce, and is designed to subordinate trade unions' wage demands to the requirements of long-term economic growth (Lim 2014). Similarly, the demand of transnational businesses for skilled labour produces a remarkably open immigration regime, such that a third of Singapore's workforce is foreign-born. GLCs'

investment requirements, meanwhile, have resulted in the increasingly controversial sequestering of Singaporeans' pension funds. This systematic bias towards the interests of large-scale and foreign capital has generated a growing political backlash around welfare, wages and immigration, resulting in significant gains for opposition parties in the 2011 elections. Again, far from remaining "autonomous", the PAP has been compelled to respond to this upsurge in socio-political conflict, though the concessions it can make are constrained by the requirements of international capital, and the ideological tropes that the PAP uses to legitimise its domination: "meritocracy" and self-reliance (Rodan 2016).

Beyond Singapore, Southeast Asian regimes are far more clearly beholden to particularistic coalitions. For example, Indonesia's Suharto regime (1967–1998) came to power amidst bloody pogroms that destroyed the Indonesian Communist Party, pledging to restore market order after years of leftist turmoil. Suharto promoted his so-called "Berkeley boys"—Western-trained technocrats—to key policy-making institutions. However, this liberal-technocratic faction was largely out-classed by more dominant forces supporting Suharto, particularly military, political and bureaucratic elites and their business allies. State development policy was heavily skewed towards feeding the patronage networks that sustained the regime, creating massive networks of corruption, collusion and nepotism and a narrow oligarchy centred on Suharto's family and his predominantly ethnic-Chinese "cronies" (Robison 1986). Again, global dynamics were important to this consolidation of power. As an oil exporter, Indonesia benefited from surging oil prices in the 1970s, providing a bountiful patronage resource, and later the emerging new international division of labour allowed the regime to develop export-oriented industries. Meanwhile, the West strongly backed Suharto as an anti-communist bulwark, supplying extensive military aid and US\$50bn in development assistance with negligible pressure for economic or political liberalisation (INFID 2007).

This focus on the historically evolving nature of social forces, coalitions and conflict also allows the Murdoch School to provide more compelling analysis of political developments than historical institutionalist accounts. One major research objective has been to explain the very limited development of liberal rights and democratic institutions despite rapid growth, urbanisation and the emergence of sizeable middle classes. Rather than merely labelling regimes as "hybrids", the Murdoch School explains why

they exist, emphasising the historical development of Southeast Asia's social forces and coalitional dynamics.

Generally speaking, colonial rule and Cold War-era authoritarian developmentalism produced stark imbalances of social and political power across the region. The political left and even mainstream liberals were crushed, while peasant and workers' organisations were either destroyed or absorbed into the state and neutralised politically. Conversely, the main support bases of authoritarian regimes—the urban middle and capitalist classes, military, bureaucratic and political elites—were nurtured and supported through patronage and clientelism. Business elites who initially depended on political patronage—often called “crony capitalists”—eventually acquired so much wealth and influence that the power balance shifted, with businessmen being courted by politico-bureaucratic elites or even entering politics themselves, displacing their former patrons. Stated development has thus often produced “oligarchs”: individuals or—often—families behind major conglomerates whose vastly disproportionate wealth empowers them to secure their interests under any regime (Winters 2011). As the editors of the third edition of this volume remarked, “one of the defining features of Southeast Asia... is the highly instrumentalist nature of capitalist control of state power” (Rodan et al. 2006: 25). Since authoritarian state power has served them exceedingly well, it is unsurprising that—contrary to liberal expectations and unlike their historical peers in democratising Europe—the region's capitalist and middle classes are typically bulwarks of authoritarianism rather than supporters of liberalisation (Bellin 2000). Indeed, with its main carriers crushed during the Cold War and yet to recover, socialism and liberalism have an exceedingly tenuous basis in Southeast Asia. Populist and moralistic (including religious) ideology is far more dominant, thanks to the survival of groups for whom these ideas are useful and attractive, such as oligarchic elites and the urban middle classes (Rodan 2018; Rodan and Hughes 2014). Hence, rather than institutions being used to explain political outcomes, institutions are instead explained as an artefact of historically evolving socio-political conflict.

This approach moves well beyond institutionalist accounts that frequently exaggerate the causal power of institutions and institutional change. As noted earlier, mainstream HI expects “critical junctures”, where institutions break down, to generate substantial changes in politico-economic outcomes. Arguably the most dramatic “critical juncture” Southeast Asia has faced is the AFC. The crisis involved widespread

economic collapse, leading to the fall of governments in Thailand and Indonesia and serious challenges to the Malaysian regime. Indonesia, in particular, experienced radical institutional change. In exchange for a bailout from the International Monetary Fund (IMF), the Suharto regime was forced to implement structural adjustment measures that some believed would end “crony capitalism”. Thanks in part to this, Suharto was forced to resign, and his authoritarian, highly centralised regime was replaced by a newly democratic, highly decentralised institutional order. This led institutionalist commentators to proclaim that Southeast Asia’s “democratic moment” had finally arrived (e.g. Acharya 1999). This was even mirrored within regional institutions, as emergent civil society networks were incorporated into the Association of Southeast Asian Nations (ASEAN), leading some to identify a “radical shift from the regional norms constituted in the ASEAN way” of regionalism, which traditionally emphasised authoritarian values (Caballero-Anthony 2005: 272).

Yet, two decades later, there is a striking continuity in the gross inequalities of wealth and power that characterise Southeast Asia’s political economies, and even in the players populating the various stages. In Indonesia, for example, many of the individuals who dominated economic or political life under Suharto still haunt the polity. Suharto’s son-in-law, General Prabowo Subianto, who was widely accused of horrific human rights abuses under the old regime, came a close second in the 2014 presidential election. The victor, Joko Widodo, rules at the head of a coalition of traditional politico-business elites, fronted by Megawati Sukarnoputri, daughter of Suharto’s predecessor, and Vice-President Jusuf Kalla, one of Indonesia’s leading businessmen, who made his fortune under Suharto. Other presidential candidates included Suharto’s army chief, General Wiranto (also accused of serious human rights abuses, and now serving in Widodo’s government), and Suharto crony Aburizal Bakrie, whose company is responsible for massive environmental devastation. Meanwhile, decentralisation has allowed a motley array of local politico-business elites to capture sub-national state power, some drawn from the lower tiers of the Suharto regime, others mobilising particularistic identities to win elections and funnel public resources to themselves and their allies (Hadiz 2010). Although civil and political freedoms have improved, corruption remains widespread, political parties offer substantially identical platforms framed in populist and nationalist rhetoric, and ordinary Indonesians rightly complain that they have little influence over policy-making (Aspinall and Berenschot 2019). Moreover, the Indonesian economy remains

dominated by a small number of massive conglomerates established under Suharto's patronage regime (Hadiz and Robison 2013). In a sign of continued capitulation to the super-rich, the Widodo government issued a tax amnesty in 2017, offering discount rates of 90–98% for wealthy tax-dodgers including Suharto's son, Tommy, and Suharto's favourite crony capitalist, Liem Sioe Liong (Arshad 2017).

The Murdoch School explains such outcomes with reference to the underlying structure of social power relations and ongoing struggles over power and resources, which can remain remarkably consistent even amidst apparently dramatic institutional change. On the one hand, Indonesia's capitalist development has generated new social groups and created new contradictions, leading to the emergence of new forms of opposition to established power-holders, such as civil society organisations and Islamist groupings critical of corruption and cronyism. When the AFC shook the Suharto regime, these groups mobilised to push for change. Crucially, the oligarchy also split, with some key politico-business elites concluding that Suharto could no longer secure their material interests. However, as Robison and Hadiz (2004) show, these oligarchs were far better placed to shape and dominate the *reformasi* (reform) process, using their wealth and access to state power to mitigate the AFC's impact on their business empires and reorganise themselves into political parties to dominate the new institutional order. Although liberal reformers struggled for more thoroughgoing change, their relative weakness after decades of repression meant that they lacked a solid social base and the organisational capacity to successfully exploit the AFC. Similarly, Walter (2008) shows that extensive market reforms produced mostly "mock compliance" with international banking rules, as powerful business elites used their connections with political, bureaucratic and judicial figures to evade tougher regulation, without directly confronting the IMF. A similar focus on enduring structural power relations has helped to explain the limits of transitions from state "socialism" to capitalism, and from military or one-party dictatorships to ostensible multi-party democracies, in states like Cambodia and Myanmar (Hughes 2003; Jones 2014; also see Hughes, this volume). Thus, unlike institutionalists who can only descriptively categorise various types of "hybrid regime", Murdoch Scholars explain *why* these regimes exist, and whose interests they serve. They are revealed not as "deficient" with respect to some idealised model, but as highly functional for dominant interests—which explains their survival.

This approach can also explain the often-disappointing outcomes of international attempts to promote domestic or regional institutional change in Southeast Asia. Murdoch scholars have, for example, explained the frequent failure of Western donor projects to produce market-friendly institutions and “good governance” with reference to socio-political contestation in target states, which produces outcomes diverging from interveners’ intentions (Carroll 2010; Hughes 2009; Hutchison et al. 2014). The same applies to international state-building interventions in jurisdictions like Cambodia, Timor-Leste and Indonesia’s Aceh, where attempts to transpose liberal institutions have been strongly contested and warped by local interests (Hameiri et al. 2017; Jones 2010). Even where intervention is highly coercive, such as economic sanctions against Myanmar, local struggles for power and resources—not the degree or type of economic pain inflicted—ultimately determine the outcome (Jones 2015). At the regional level, the supposed liberalisation of the “ASEAN way” has likewise been shown to be exaggerated. There are certainly departures from traditional ASEAN norms like non-interference, but only when it serves the interests of dominant socio-political forces (Jones 2012). These same forces have also shaped the emergence of new, superficially liberal institutions, like the ASEAN Civil Society Conference and the Intergovernmental Human Rights Commission, “regulating” them to exclude serious contention and defend existing power relations (Gerard 2014).

As well as accounting for substantial continuity amidst apparently dramatic institutional change, the Murdoch School also attends to the more transformative dynamics of capitalist development in the region. Although the AFC did not produce the revolutionary change that some had hoped for, it nonetheless forced dominant social forces to shift their strategies to repair domestic support, reassure international capital that the region remained a stable and competitive place to invest, and shore up relations with important foreign powers (Jones 2012: 107–127). Most Southeast Asian governments adopted a “reformist” posture, ostensibly embracing “good governance” and reforms to improve “transparency” and political participation (Rodan 2004, 2018; Rodan and Hughes 2014). Many have also felt compelled to pursue economic reform. This reflects not merely a short-term response to particular crises, whether the AFC or the GFC, but more fundamentally the need to adapt constantly to the always-evolving international division of labour and changing geopolitical circumstances associated with global capitalist development. China’s emergence as the “factory of the world” has posed a major competitive challenge to earlier

Southeast Asian industrialisers, like Malaysia, Thailand and Indonesia, as has the shift of formerly “communist” Vietnam and Cambodia into low-cost manufacturing. But more broadly, we have witnessed the ongoing “globalisation” of governance regimes, formerly domestic companies, investment, and value and production chains, and the growing concentration of production among powerful global conglomerates (Carroll and Jarvis 2017: 24).

These factors have created competitive pressures that make it increasingly difficult for Southeast Asian elites to resist liberalising reforms. Institutions like the World Bank and Asian Development Bank—unleashed from the Cold War imperative of protecting authoritarian regimes—have also continuously promoted “deep marketization” through a plethora of interventions (Carroll 2012). Alongside specific development and reform programmes, these agencies construct “naming and shaming” league tables, such as the *Doing Business* series, which benchmark countries on their attractiveness to international capital, sending signals that can be factored into the cost of borrowing and investment decisions. This creates a form of pressure for institutional reform that need not be tied to conditional lending but operates entirely through the market and access to capital (Carroll and Jarvis 2014).

The conflict-ridden responses to these pressures help explain institutional evolutions that historical institutionalists struggle to grapple with, particularly the transformation of states. HI focuses primarily on explaining local institutional variegation, which to be sure remains significant. However, in Southeast Asia, some national variegation has coincided with considerable institutional convergence, shaped by changes in the global political economy, that HI is incapable of capturing or explaining. Because the conditions that previously supported the emergence of “developmental states” have transformed, approaches to governance are also changing. As Carroll and Jarvis (2017: 9) argue, rather than being configured so as to produce broad, *national* development and “growth with equity”, “state capacities have... been repositioned, repurposed and redeployed in instrumental ways to support marketization... reflect[ing] the transforming interests of specific classes... which are increasingly aligned with international regimes of accumulation”. Indeed, Jayasuriya (2005) has charted the gradual decline of the old developmental state and the emergence of “regulatory statehood”, whereby central authorities are less inclined to lead development directly than to “steer” it through broad, pro-market regulations (see Al-Fadhat, this volume). This is very difficult to explain

from a Weberian or HI perspective. It is unclear why a state with supposed “capacity” to subordinate the market would simply lose or voluntarily relinquish it. Nor is this transformation the result of a “critical juncture”, or even slow endogenous change, as neither helps explain why similar trends are apparent across the entire region, despite its institutional diversity. Understanding these developments demands an emphasis upon the continually evolving nature of capitalist accumulation and socio-political struggles.

The same applies for institutional change at the regional level. The increasing regionalisation of production and finance, for example, is a key driver behind the formation of new initiatives like the “ASEAN Plus Three” grouping, linking ASEAN to China, Japan and South Korea, the Trans-Pacific Partnership, and China’s Belt and Road Initiative, for example. Similarly, the ASEAN Economic Community (AEC), ostensibly created in 2015, is an explicit attempt to transform Southeast Asia into an integrated production platform for transnational capital. The AEC involves a vast regulatory “blueprint” of pro-market policies that member-states should adopt, which are a far cry from the interventionist, developmentalist policy set of earlier decades. However, implementation is highly uneven and, again, a Murdoch School approach can explain why. Where powerful interests favour liberalisation—such as businesses that have outgrown their national cocoon and now seek new, regional scales of accumulation—it is likely to proceed. However, when influential social groups stand to lose, or where alternative, non-market sources of finance are available from a country such as China, they tend to resist, impeding progress (see Jones and Hameiri, this volume).

We conclude that the Murdoch School has superior explanatory power to either Weberian or HI approaches, which is why it is chosen as the framework for this volume. Whatever their differences, each chapter will show how evolving socio-political conflict, embedded in global social relations, explains outcomes in their issue area.

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