

**Testing Social Theories Through Historically Informed Socio-Cultural Analysis:
Economic Development in Japan and Taiwan and the "Autonomous State"
(Published in *Res Socialis*, Vol I, Issue 2, 2005)**

Lysander Anthony Padilla, Ph.D.

ABSTRACT

A historically informed study of economic development in Japan and Taiwan suggests that both modernization and dependency theories are inadequate explanatory schemes without the informing concept of a strong developmentalist state, which is relatively autonomous from local civil and international societies. It was this strong, autonomous state which orchestrated sustained and eventually successful economic growth in Japan and Taiwan. Although the influence of other sociological and economic factors, such as culture and international capital on socioeconomic development are also important, they can be harnessed and modified by such powerful autonomous states to effect economic growth and development.

INTRODUCTION

This paper presents two cases of a historically informed sociological analysis of socio-economic development in East Asia. In the course of doing so, it sees as inevitable a criticism of Parsonsian inspired modernization theory, as well as of Marxist-inspired classical dependency theory (these two will be defined extensively later), which are viewed as insufficient without attention to specific historical realities in providing satisfactory explanations of modern social and economic changes, particularly in the development of the newly industrial countries (NICs). However, the analysis itself seems to show that *neo-dependency* theory, particularly as formulated by Cardoso and Faletto (1979) has a better explanatory power than the previous mentioned two approaches.

The conceptual formulation of the new industrialization (as development in East Asia has been called, and as related to the term NICs) is centered on the autonomous

state, showing how it is not merely an expression of dominant class interests, as Marxists would see it, nor, as in Parsons' view of the political subsystem, a functional subsystem of a totally integrated system.

As strategy for theoretical falsification, the paper will initially assume each of the two theories as correct. From each theory, the paper will construct predictive statements of socio-economic developments of a hypothetical society. Then it will show by historical examples of actual societies (like Japan and Taiwan), that such predictions have not come true. Although single or even two cases are not sufficient to completely refute theories, exceptions can at least weaken them to an extent that we can say that the theory does not (always) work, or that the theory was unable to explain the cases in question.

Finally, the paper will then provide a brief historical analysis of the prominent factor which caused the difference. This factor is posited to be the autonomous state, the relevant characteristics of which in relation to development are also discussed in a section of their own. This section is also implicitly supported by appeals to mainstream economic concepts on growth and development

A. The Parsonsian Formulation of Modernization Tested By the Japanese Case

Change, for Parsons, is the obverse of structure-maintaining or equilibrating process. In his theoretical formulation, the concept of change is therefore tied to that of the maintenance of the whole system:

At the most general theoretical levels, there is no difference between processes which serve to maintain a system and those which serve to change it. The difference lies in the intensity, distribution, and organization of the structures they affect.

(1966: 21)

Because of this theoretical bias, the Parsonsian conception of change is cumulative, rather than abrupt; or in other terms, evolutionary, rather than revolutionary. It becomes indeed a major stretching of the framework's capabilities if it used to explain social revolutions. Everywhere in Parsons' writings, there is a palpable analytical preference for structure over change:

Structural analysis must take a certain priority over the analysis of process and change...One need not develop a truly advanced general analysis of the main processes of social change in order to make general claims about the structural patterning of evolutionary development.

(1966: 111)

The central concept of evolutionary social change is *differentiation*, which as Parsons himself acknowledges, is originally a biological concept. Differentiation applied to social systems connotes increase of subsystems, their specialization in a systemwide division of labor, such that greater productivity for the total system results. Correspondingly, the subsystems need to be integrated to ensure functional unity. This is where Parsons and some of his more historically minded followers, like Eisenstadt (1973, 1978) part ways. For Parsons, integration occurs because of value generalization: while structurally diversifying, the total system actually unifies in value orientation. While such a process is not denied, Eisenstadt stresses instead a political integration, that is, a unification through authority mechanisms. Because of this, Eisenstadt may be seen more as a political structuralist, rather than as a unredeemed Parsonsian¹.

¹ As his later work shows, Eisenstadt can be seen as a neo-Weberian

A theoretical outcome of Parsonsian inspiration in studies of socio-economic development is characteristically typical: evolutionary modernization. Modernization approaches stress the process of transition from traditional societies into modern ones. Therefore the starting point in modernization theories is the distinction between modern and traditional societies.

Modern societies are seen as more differentiated. In these societies, unit functions can afford to be more specific. The employer's role, for example, is very narrowly defined. The employer has limited obligations to the employee, and the relationship between them seldom extends beyond the work sphere. Because they are able to avoid other, non-contractual obligations to each other, the employer and employee can devote more attention to increasing efficiency and productivity. In traditional societies, roles tend to be functionally diffused. Thereof, the employer's role is not just to hire employees; frequently it also involves the training of the employee through apprenticeship; the employer has the responsibilities of being the employee's guardian, of providing living arrangements, and whatever more. Needless to say, this diffuseness is considered by modernization theorists to be grossly inefficient.

There are several variants of the modernization approach to development, but a common set of assumptions are:

1. Modernization is a *phased* process. Rostow's theory, for instance, distinguishes different phases of modernization through which all societies will go through. Societies begin with the primitive, simple, and undifferentiated traditional stage and end with the advanced, complex, differentiated modern stage.
2. Modernization is a *homogenizing* process. Modernization produces tendencies

toward convergence among societies (i.e., globalization). Modernization is a *Europeanization* or an *Americanization* process. Western Europe and the United States are viewed as having unmatched economic prosperity and democratic stability. And since they are considered the most advanced nations in the world, they have become the models for the developing countries to emulate.

3. Modernization is a lengthy process. It is an evolutionary change, not a revolution. It will take generations to complete, and its profound impact will be felt only through time.

It is obvious, but especially evident from #2, that this approach is ethnocentric, with focus on Western European, and North American cultural values. It follows that this theory will have limited applications for other cultures, such as those in Asia.

The ultimate utility of a theory is its empirical validity. Included in validity is not only its ability to explain realities, but its power to predict. In this context, how does the modernization school measure up?

In terms of value commitments - the highest and most significant factor for Parsons - predictions of the modernization approach for the crucial East Asian case of Japan are an unmitigated failure. While Japan was exhibiting stunning rates of growth, it has not only maintained traditional values in the household, but has also instituted them in the workplace. In modern Japan, a company is conceived as an *ie*; its employees are household members, and the employer is the household head. In social organization, the Japanese put far more emphasis on the situational frame than on personal attributes; and when a Japanese faces an outside group, he establishes his point of reference not in terms of who he is, but in terms of his group (see Nakane, 1970).

In a Japanese corporation, authority is absolute and greatly respected. Authority-based power is derived not so much from legal or contractual considerations, but is based primarily on customs, traditions, leadership style, and the nature of the interpersonal relationships between senior and junior employees. And in the latter, relationships are defined by cultural traditions that are diffuse, collectively oriented, and heavily affective. The leader must embody traditionally qualities such as magnanimity, compassion, vision, and wisdom. This ethical code of leadership is a legacy of the Confucian system that was the basis of the feudal system. Absolute loyalty and devotion to one's master is considered a virtue while superiors, in turn, are expected to exemplify the virtues of sagacity, benevolence, and purity.

However, these qualities of filial piety, reverence for the old and traditional, and group consciousness are also qualities of patriarchal Asian societies that have not economically taken-off. The example of the Philippines is one. The explanation for economic take-off must therefore lie elsewhere. The paper shall discuss this in the role of the state, which begins in the section on Marxian approaches to development.

This section ends with the conclusion that Parsonsian inspired approaches to development are not appropriate for the case of Japan.

B. The Marxian Approach: Dependency Tested by the Taiwanese Case

In this section, an attempt is made to combine variants of Marxist thinking on development, while being aware that variations are numerous, and not all compatible with each other.

It is traditionally Marxist to think that no development will occur for the social classes who do not own the means of production. On the contrary, they will be

exploited relentlessly, as the drive for capital accumulation proceeds. Thus, they will be driven to destitution and misery. These people - the workers and the disenfranchised peasants - have only one alternative: to wrest the means of production from the capitalists, and institute a dictatorial system where production is socialized. Then, as the collective output is distributed equitably, the system as a whole develops rapidly.

From the above, it is predicted that socialist systems will grow faster than the capitalist ones. Eventually, they will be more advanced, their societies will have less social disorganization and conflict, until finally, a utopian society where there is no exploitation will exist. At this stage no government will be necessary ("the state withers away").

Recent history has shown that these predictions have not come true. Although the Eastern European countries have shown remarkable growth rates after the war, these rates have decayed continually since the 1960s. Although these societies had lower indices of social disorganization, such as crime and unemployment compared to the West, the productivity of labor was low.

For the developing nations, Marxist-inspired development theories are provided by the dependency school, and the world-systems approach. Dependency was first developed (the classical formulations) by Furtado (1966) and Dos Santos (1970) from their studies on Latin American countries; the basic assertions were later modified and further elaborated on by Frank (1979). Here, the class divisions internal to a system get to be extrapolated to nation-states, where the Third World nations are the disenfranchised, and the advanced industrial countries are the manipulators of international capital.

For the early dependency writers, the causes of Latin America's underdevelopment were external; they argued that the colonizing states, which became the advanced industrial countries have deliberately prevented the development of the Third World by fostering an economic relationship where the underdeveloped countries paid for the industrial goods produced by the developed countries by exporting raw materials. Because of this, the underdeveloped countries will never industrialize, or produce their own capital goods. Because the advanced capitalist countries have a stake in maintaining this dependency on them, they will actively prosecute the preservation of the *status quo*.

These predictions do not tally with the case of Taiwan. Despite a large proportion of international ownership in the capital sector (it has a high dependency on external capital - see Table 1 on the section on State Autonomy), it has shown remarkable growth rates. Moreover, these rates were sustained well into full industrialization (through the years included in Table 1).

Before ending this section, it is fit to mention that a variant, that of Cardoso's neo-dependency (Cardoso and Faletto, 1978) allows some form of social and economic development for countries defined under a dependency relation. Such a "dependent development" as Cardoso calls it, is possible if a state is able to maneuver against the transnational corporations and places restraint on their profit expropriation. This formulation puts more responsibility and free agency on the dependent state than the classical dependency allows, and is related to the concept of the autonomous state.

THE AUTONOMOUS STATE

Given the deviations of the Japanese and Taiwanese case from predictions, how

do we explain the deviations? Before offering solutions, it is well to remember that the two theories considered did not perform equally badly. Although both theories were not able to explain the Japanese and the Taiwanese cases, the conflict theories inspired by the dependencists raised more relevant questions than the modernist models. This may not be due to Marxist concepts *per se* as much as to the critical attitude it fostered. Such attitudes encourage students of society not to automatically accept social arrangements or their underlying values, to be able to question even the fundamental assumptions of order and power.

In general, the greater appeal of conflict approaches was also related to the global historical situation where newly formed nation-states found themselves. Products of Western economic domination and Asian cultural traditions, the newly industrializing countries found that the global situation was structured around the predominant advanced capitalist countries who influenced the economic and political fortunes of less favored countries. However, this general scheme allowed for various outcomes of the competition, and therefore for the influence of actual historical events. A good example of this is the study of revolutions.

On the face of it, there is an already well-established theoretical tradition - Marxism - that seems to meet the need for a historically grounded, social-structural approach to explaining revolutions. In many respects, Marxist explanation are exemplary. First, the general image of revolutionary processes to which Marxists adhere emphasizes the importance of social-structural contradictions in generating revolutionary crises...

Moreover, some very rich social-historical studies of revolutions have been published in recent years by American social scientists operating within Marxist-derived theoretical frames of reference. Both Barrington Moore, Jr., in his Social Origins of Dictatorship and Democracy (1966), and Eric R. Wolf, in his Peasant Wars of the Twentieth Century (1969), extended Marxist concepts and hypotheses to analyze revolutions...

(Skocpol, 1982:593)

There are very strong reasons not only for a historically grounded social analysis, but for detailed accounts of all relevant social factors. Such historical explanations go above and beyond the fitting of preformulated abstract schemes to real cases of social change. Such an analysis would also account for the roles that these factors played in the outcome. And finally, it would be ideal if a comparison with another case where the outcome did not occur will show whether one or the other factor was responsible (see Skocpol, 1976). ***But what are these sets of relevant social factors?***

A. Social and Historical Factors

Among them is the set of cultural orientation or traditions as interwoven into the institutional arrangements of a society, and which aspects of these arrangements are influenced and shaped by such central orientations. Eisenstadt (1985) claims that this set indexes the deep structure of society.

Another is the set of influence bearers who turn values and orientations into living, moving realities; and who engage in conflicts of varying degrees in an effort to make one value or another prevail over the rest. These are otherwise known as elites.

Finally, there is the process of interaction and struggle itself, where the competing and coalescing strategies of the elite find either resolution, or ever increasing conflict. These struggles end in either a relatively similar institutional arrangement, or in an entirely different one. It is the confluence of all three sets of factors occurring in a specific, that is, *historical* space and time that determines the final social configuration. And it is the rendering of how these sets of forces interplayed toward the outcome that

characterizes a historical- sociological account.

According to Theda Skocpol,

Truly historical studies have some or all of the following characteristics. Most basically, they ask questions about social structure or processes understood to be concretely situated in time and space. Second, they address processes over time, and take temporal sequences seriously in accounting for outcomes. Third, most historical analyses attend to the interplay of meaningful actions and structural contexts, in order to make sense of the unfolding of unintended as well as intended outcomes in individual lives and social transformations. Finally, historical sociological studies highlight the particular and varying features of specific kinds of social structures and patterns of change.

(1984: 1)

Thus, historical sociologists make no commitment to a unified developmental theory or fixed sequences of temporal stages. An unpredictable event which opens entirely unexpected alternatives is an accepted element in the explanation. There can be no predetermined end. Nor can there be eternally true generalizations that transcend specific cases.

In analyzing social processes, historical sociologists approach them in a *problem-oriented* way.

The primary aim is not to rework or reveal the inapplicability of an existing theoretical perspective, nor is it to generate an alternative paradigm to displace such a perspective. Rather the aim is to make sense of historical patterns, using in the process whatever theoretical resources seem useful and valid.

Skocpol (1984: 17)

The historical approach posits propositions that are strongly divergent from both theories. The most important of these for the analysis of development is the relative autonomy of the state. In Parsons' scheme, the political subsystem is a functional expression of the total system, and its existence is an essential contribution to the

maintenance of this totality. It is functionally distinct from the other subsystems, but structurally integrated into the whole.

It can be perhaps argued that the whole concept of the state choosing its own values and goals from a general scheme of things where the social actors have different values and goals is not possible from a structural-functionalist point of view. Especially for Parsons, for whom institutional arrangements reflect the underlying cultural controls.

For Marx, the state is "the managing committee of the ruling class". By this he meant that the interests and goals, and indeed the members of the state are those of the ruling class. This reflects the conceptual poverty of Marxism regarding the concept of power. It may be affirmed that the Leninist strain is an exception, as other schools of conflict which took the trouble of distinguishing between economic privilege and political power.

Thus, a perspective combining a general conflict approach with the Weberian distinction between authority and wealth proves to be fruitful. Here, it was stressed that the explanation of any institutional arrangement has to be attempted in terms of power relations and negotiations, power struggles and conflicts and the coalitions during these processes. A concomitant emphasis was laid on the autonomy of any subsetting, subgroup or system, and definitions of goals that differed from those of the broader organization and institutional setting, and of the groups dominant in it.

Such autonomy could also extend to the state as a whole, as distinct from the wider environments within which a whole nation-state operates, such as the global capitalist system. In this context, the power of a state to maneuver and secure development is possible, even while accepting that from a Marxist oriented view the

leading capitalist core countries are manipulating the international economy.

The economic (and in the case of Japan, increasingly political) ascendancy of the newly industrializing countries pose a fundamental challenge to both the Parsonsian modernization and Marxist inspired dependency approaches. These countries, by (initially) pursuing an economic strategy of production of labor-intensive manufactured goods laid themselves open to external influences, and indeed to the vagaries of the international market. At the same time, levels of foreign investment had been high. By all indications of dependency theory they should have been exploited and mired in increasing poverty. But the reverse has been true: rapid and sustained development has been observed.

Another thing which has departed from the predictions of dependency is the authoritarian state oppressing its people and appropriating the profits to itself, and to its class. However, in the East Asian cases, it is the state which has guided the developmental process. Of particular importance has been a capacity to meet the development challenges of changing external circumstances through decisive shifts in strategy and economic structure, attainment of relatively full employment, continued increases in real wages, and low levels of economic inequality.

Given these findings regarding the East Asian societies, the problem centers on the role of the state in the process of socio-economic transition from a developing society to a developed one. It has been claimed that the developmental state is an autonomous one. ***But in what does state autonomy consist of?***

B. State Autonomy as Conditioned by Internal and International Factors

Answering this question will round off this essay because in doing so the answer presents a critique of the historical approach itself. One immediate thing that is apparent is that there is no common answer for all East Asianists. What is more disturbing, it occasionally appears that the concept of state autonomy is something that is a consequence of the wider institutional setting in which the state finds itself, in which case, the explanation is not the final explanation at all.

First, I shall summarize how prominent East Asianists elaborate on state autonomy, and how they use this concept to explain development. I shall invoke arguments that point to other important social and political factors that are thought to condition state autonomy. This includes those of a neo-dependency theorist who asserts that state autonomy is defined in the context of its engagement with foreign capitalist influences, the extent of penetration by foreign capital on the economy, and his argument that the real explanation of state autonomy is freedom from international capitalist manipulation. Eventually, it appears that a synthetic approach that delineates the structural characteristics both within the nation-state and in the international setting explains better than either the modernization or classical dependency approaches.

A good example of a synthetic historical structuralism is Haggard and Cheng's (1987) analysis of the interplay of state and capital (local and international) in the economic advances of East Asia. They elaborate three sets of arguments.

First, they claim that the adoption of an export-oriented strategy for growth fostered, except in Singapore, domestic manufacturing firms capable of competing internationally. This pattern of economic development contrasts sharply with the Latin American model of successive rounds of import substitution financed in part by large

external indebtedness and resulting in a strong multinational presence.

Second, they stress the political basis of export-led growth; this was made possible by a combination of state policy, the ideologies and influence of technocrats, the coalitions of state and civilian elites. In South Korea, Singapore, and Taiwan the state has played a central role in orchestrating export-led growth, while Hong Kong has maintained a *laissez-faire* posture. Nonetheless, technocrats in all of these countries have been influenced by economic ideologies that emphasize the advantages of private-sector, export-led growth. In each case technocrats have had wide leeway to design economic policies and firm, consistent, and high-level political support to implement them. This coalitional argument imply the relative weakness of labor and of leftist and populist forces to institute anticapitalist development. In all four cases, an alliance of state and business elites resulted in increased capabilities of the state to maneuver *vis-a-vis* the global capitalist system in pursuing a pro-business strategy because of the absence of effective political and labor opposition.

Thirdly, the authors claim that the notion advanced by dependencists that the major constraint on economic development is the penetration of transnational firms into the local economy is misleading, because no account of East Asian growth is possible without attention to the influence of these forms of international capital. However, I find this argument less forceful than the previous two. ***Indeed, their own data seem to support the hypotheses of dependent capitalism and its deleterious effect on development.***

Below I reproduce their table on the export share of foreign firms:

TABLE 1. SHARE OF FOREIGN INVESTED FIRMS IN TOTAL EXPORTS

Country	Percent Share	Year
South Korea	31.4	1974
	18.3	1978
Taiwan	30.0	1975
Hong Kong	11.0	1974
	17.8	1984
Brazil	43.0	1969
Mexico	37.0	1977

Source: Haggard and Cheng (1987)

The table above describes lower percentages of international capital in the East Asian countries than the Latin American ones. The effect is the better performance of those countries with lower shares of transnational capital. In this context, Evans (1987) claims that ***the lesser influence of international capital is the crucial differentiating factor which defines the developmental advance of the East Asian economies compared to the more dependent Latin American states:***

All Third World countries are dependent in the sense that they are vulnerable to the effects of economic (and political) decisions made in the core...What is of interest are specific situations of dependence, some of which constrain and shape development. The specific situations of dependence that characterize East Asian NICs are strikingly different (italics mine) from those that characterize the major Latin American NICs. For theory, the most important

differences is the degree of external control over the management of the internal productive apparatus - that is, the role of direct foreign investment.

(205-206)

Evans states that the seeming inapplicability that is imputed to dependency theory is due to its "caricatured version", which does not do justice to its real nature as a historical-structural theory of development. ***He further claims that the East Asian cases in fact confirm such a version of dependency.***

Indeed, any discussion of state autonomy is meaningless if the relationship of the state to particular socio-economic and political environments (domestic and international) are left out. First, the power of the state

will be considered primarily in terms of increasing capacity to exert control over local economic resources. This means that organizational capacity and the relative power of the state vis-a-vis private domestic elites...

(Evans, 1985: 194)

and also,

Transnational factors have always been central to arguments about the nature and capacity of Third World states... That state apparatuses in Third World countries are constrained by transnational linkages in ways that undermine their ability to promote domestic accumulation in incontrovertible.

(Evans, 1985: 194-195)

And it can be seen that a given state is weak or strong relative to these environments.

A historically oriented sociologist is aware that ***these relationships vary in time***, even for the same state. For instance, the arguments that Wallerstein makes in proposing his world systems model explicitly takes into consideration critical historical junctures, where

a peripheral state may gain membership into a higher level, such as the semi-periphery, if it uses these opportune times to implement policy (see 1989; also 1980).

The Japanese economic "miracle" had a lot to do with an extremely able state administration (incarnated in the Ministry of International Trade and Industry, or MITI), at the same time that it was **unchallenged**. There was a single-party (the Liberal-Democratic) in power for more than thirty years. This left the state free to ruthlessly pursue a set of economic priorities that would have been unattainable under less "absolutist" conditions. And the Japanese cultural predilection for obedience and discipline only reinforced such statism (see among others, Taira, 1983, and Johnson, 1982).

The state was even more potent in Taiwan. In an analysis of Taiwanese development, Amsden (1985) makes it clear that Taiwan was a military dictatorship. The Guomintang (or Kuomintang) justified this dictatorship by hoisting a political "crisis": that of Communist takeover from the mainland, and its subsequently increasing international isolation. This regime defined economic progress as essential to its survival, and also for a victorious repossession of the mainland. As a start it increased the productivity of the agricultural sector, and used the surplus to fuel import-substitution industrialization. Though it later shifted to export industrialization by concentrating on semi-processed manufactures and electronics, it did so by erecting high tariff barriers to external competitors and stiff licensing requirements against transnational corporations.

The autonomy of the state in Taiwan is therefore clearly defined by the absence of internal competitors - it was a military dictatorship. In Japan, the restoration of the emperor (the Meiji restoration) occurred with the decapitation of the highest levels of the

feudal aristocracy, and the ushering into power of the middle classes. In consequence, in both countries, the state was relatively free to pursue its own aims. Fortunately, in both cases, the state concentrated on industrial and social development.

Japan and Taiwan were historically favored by their relations to the United States. Japan, and especially Taiwan received military aid from America, in a large measure taking care of security problems, thereby leaving their states free to concentrate on economic development. As an American shield in Asia against Communism, Taiwan was particularly favored. It received technical assistance and trading privileges from the United States. This was true to an extent for Japan, too.

But, power is never absolute. It is central to the thesis of this essay that the autonomy and power of the state to effect social and economic development is to be viewed in the context of domestic and global political economic configurations. This perspective of "political economy", as we may call it, situates state power in a dynamic matrix of social classes and the core-periphery relations (see Koo, 1984). This triadic interaction, followed through space and time, is the focus of structural-historical sociology. The dynamism of this configuration means that the relative strengths of each factor will vary through time.

Applicable to both our cases, but specially *a propos* to Taiwan, the historical flow has been to weaken the state vis-a-vis the class structure and the world-system. The economic growth of Taiwan has resulted in richer, more powerful *bourgeoisie* which is now able to challenge the state. It has begun to demand more influence in economic

policies. Simultaneously, the increasingly educated middle class has demanded political democratization. The international order has forced Taiwan to reconsider its relation with the mainland (crucial to this is the "one-China" policy - giving recognition to the People's Republic over Taiwan). As a result, the state in Taiwan is weaker relative to its society and the international community.

CONCLUSION

This essay began by trying to show that both the modernization and the dependency (at least in its pre-Cardosian formulation) approaches were insufficient to account for socio-economic development of Japan and Taiwan. With specific reference to Japan, its traditional values of respect for elders, particularist loyalty to the group and attachment to one's family system proved to be positive contributions rather than barriers to progress, as modernists would have predicted, basing on the effect of modern Western values in the development of Western societies. With reference to Taiwan, the essay presented facts of transnational capitalist penetration covariant with industrial development, a phenomenon which, given classical dependency formulations, should not have occurred. The essay proceeded to show that in Japan and Taiwan, their states assumed more active roles in bringing about development. In Japan, together with the bureaucracy, it planned and managed internal capital accumulation, and directed investment in critical sectors. In Taiwan, the state effectively set limits to profit expropriation, and protected internal industries. Like the Japanese, it also funneled investment in key industrial sectors.

In showing this relatively greater capacity of the two states to act and intervene, I have attempted to elaborate the conditions which define this enhanced capacity. In the

two cases mentioned, historical events played a critical part. In both Japan and Taiwan, state autonomy was enhanced because historical processes weakened classes that would have challenged the autonomy of the state. And the international scene favored assistance to the state in cases of conflict between it and local classes.

Theoretically, the most important impact of the East Asian cases is to extend previous dependency thinking on the role of the state in dependent capitalist development. This fundamentally means increasing the importance that state activity plays in the outcome of its interaction vis-a-vis international capital. In East Asia, as in Latin America, there is clearly a triadic configuration behind dependent capitalist development, one in which the state, transnational, and local private capital are essential actors, but in East Asia the state has historically been the dominant partner. The major East Asian NICs provided the evidence in favor of this hypothesis by offering cases where both the relative autonomy of the state apparatus and the effectiveness of state intervention were well beyond what has been observed in Latin America - and where the success of economic development was also more pronounced. The recent changes in this configuration points to the probability that the state autonomy in Japan and Taiwan in the context of economic intervention has weakened.

REFERENCES

- Amsden, Alice. 1985. ***The State and Taiwan's Development*** in Evans, Rueschemeyer, and Skocpol (eds.). ***Bringing the State Back In***. Cambridge University Press.
- Barett, Richard and Martin King Whyte. 1982. ***Dependency Theory and Taiwan: Analysis of a Deviant Case***. American Journal of Sociology, 87, no 5.

- Cardoso, Fernando Henrique and Enzo Faletto. 1979. ***Dependency and Development in Latin America (translated by Marjory Mattingly Urquidi)***. University of California Press.
- Coser, Lewis. Bernard Rosenberg (eds.). 1982. ***Sociological Theory. A Book of Readings***. Macmillan Publishing Co.
- Demerath, N. J and Richard Peterson (eds.). 1967. ***System, Change, and Conflict***. Free Press.
- Deyo, Frederic. 1987. ***"State and Labor: Modes of Political Exclusion in East Asian Development"*** in Deyo (ed.) ***The Political Economy of the New Asian Industrialism***. Cornell University Press.
- Deyo, Frederic (ed.). 1987. ***The Political Economy of the New Asian Industrialism***. Cornell University Press.
- Evans, Peter. 1987. ***"Class, State, and Dependence in East Asia: Lessons for Latin Americanists"***. in Deyo (ed.). ***The Political Economy of the New Asian Industrialism***. Cornell University Press.
- Evans, Peter. 1985. ***"Transnational Linkages and the Economic Role of the State"***. in Evans, Rueschemeyer, Skocpol (eds.). ***Bringing the State Back In***. Cambridge University Press.
- Evans, Peter B., Dietrich Rueschemeyer, and Theda Skocpol. 1985. ***Bringing the State Back In***. Cambridge University Press.
- Haggard, Stephan and Tun-jun Cheng. 1987. ***"State and Foreign Capital in the East Asian NICs"***. in Deyo (ed.). ***The Political Economy of the New Asian Industrialism***. Cornell University Press.
- Johnson, Chalmers. 1982. ***MITI and the Japanese Miracle***. Stanford University Press.
- Johnson, Chalmers. 1987. ***"Political Institutions and Economic Performance: The Government-Business Relationship in Japan, South Korea, and Taiwan"***. in Deyo (ed.). ***The Political Economy of the New Asian Industrialism***. Cornell University Press.
- Koo, Hagen. 1987. ***"The Interplay of State, Social Class, and World System in East***

Asian Development: The Cases of South Korea and Taiwan. in Deyo (ed.). ***The Political Economy of the New Asian Industrialism.*** Cornell University Press.

Nakane, Chie. 1970. ***Japanese Society.*** University of California Press.

Parsons, Talcott. 1966. ***Societies.*** Prentice Hall.

Rueschemeyer, Dietrich and Peter Evans. 1985. ***"The State and Economic Transformation: Toward an Analysis of the Conditions Underlying Effective Intervention.*** in Evans, Rueschemeyer, Skocpol (eds.). ***Bringing the State Back In.*** Cambridge University Press.

Santos, Teotonio dos. 1970. ***"The Structure of Dependence"***. American Economic Review, 60, no. 5.

Skocpol, Theda. 1982. ***"Explaining Revolutions: In Quest of a Social-Structural Approach"***. in Coser. Rosenberg (eds.). ***Sociological Theory.*** A Book of Readings. Macmillan Publishing Co.

Skocpol, Theda (ed.). 1984. ***Vision and Method in Historical Sociology.*** Cambridge University Press.

Taira, Koji. 1983. ***"Japan's Modern Economic Growth: Capitalist Development Under Absolutism"***. in Wray and Conroy (eds.) ***Japan Examined: Perspectives on Modern Japanese History.*** University of Hawaii Press.

Wray, Harry and Hilary Conroy (eds.). 1983. ***Japan Examined: Perspectives on Modern Japanese History.*** University of Hawaii Press.