ELRR

Symposium Introduction

The Economic and Labour Relations Review
24(4) 481–494

DOI: 10.1177/1035304613509145
elrr.sagepub.com
SAGE

Public sector management and the changing nature of the developmental state in Korea and Malaysia

Mark Turner
University of Canberra, Australia

Michael O'Donnell, Chung-Sok Suh and Seung-Ho Kwon
The University of New South Wales, Australia

Abstract

This article traces the role of the state in developmental theory and practice, paying particular attention to public sector management. The early orthodoxy of modernisation theory put the state at the centre of development, giving it prime responsibility for generating development. Realisations of the shortcomings of modernisation theory and disappointment with its results led to the rise of neoliberal approaches in development thinking and action, with a focus on the shrinking state. However, in turn, the efficacy of neoliberalism has been questioned, and its human toll has been critiqued. Coupled with evidence of the success of the East Asian developmental states, the result has been a rethinking of the state and a new acknowledgment of its central role in development. Strong institutions and efficient, effective and responsive public sector management have been identified as key ingredients of capable states that made development happen. In outlining this trajectory, the article introduces the case studies that comprise this symposium.

JEL Codes: F5, O2, P5

Keywords

Capable states, developing countries, developmental states, public sector management

Corresponding author:
Mark Turner, School of Government and Policy, University of Canberra, Bruce, ACT 2601, Australia.
Email: Mark.Turner@canberra.edu.au

Introduction

In the 1950s and 1960s, when colonial states were gaining their political independence, academic attention began to be directed towards underdeveloped ex-colonial territories and also those that had been emancipated a century earlier in Latin America. A leading question was 'How could rapid and sustained economic growth be generated?' Economic growth, people argued, was the way in which 'backward' nations could catch up with the 'advanced' ones. Not only would their economies grow but the social and political institutions associated with liberal democratic market economies would also take root. While there were competing versions of the way in which such developmental outcomes could be achieved, one constant theme was the central role of the state. The state, under the rule of enlightened elites, would give strong direction to socioeconomic development. Furthermore, when market failures occurred, the state would step in to provide the missing elements such as infrastructure, capital and entrepreneurship. To perform these tasks efficiently and effectively, a professional bureaucracy was required. A trained corps of public servants would take responsibility for advising, analysing and implementing the growth-oriented policies of government. But this idealised world of enlightened elites and expert administrators engineering rapid economic growth failed to materialise across much of the developing world. By the early 1970s, the emerging picture of developing countries was one featuring low (or even negative) growth, corruption, increasing poverty, political unrest and violence, military coups and rising debt. The optimism that accompanied the early application of modernisation theory was replaced by pessimism, in which dysfunctional bureaucracies were seen more as problems rather than solutions to underdevelopment.

While this dismal situation characterised (to differing degrees) many countries in the developing world, a group of countries in East Asia were embarking on a voyage of rapid economic growth. The pioneer was Japan, rising from the destruction of the Second World War, followed by the cluster of Korea, Taiwan, Hong Kong and Singapore, and later to be joined by Southeast Asian countries including Malaysia, Thailand and Indonesia. These were the 'developmental states' that seemed to defy both the failure of modernisation theory and the neo-Marxist critique that asserted the impossibility of development under the prevailing global order. These developmental states are the subject of this Special Issue of *The Economic and Labour Relations Review*. In the issue, we are concerned with the changing nature of the developmental state. It is acknowledged that the East Asian exemplars have passed through their golden eras of economic growth. Some even say that the developmental state is a thing of the past. Our concern is not so much to focus on this contention but rather to trace the evolution of the developmental state, especially using the lens of public sector management – a lens that has been under-utilised for this purpose. We are also concentrating on Korea and Malaysia. Korea is one of the earlier developmental states while Malaysia belongs to the later group.

The state and development

As observed above, the centrality of the state in economic development was an early orthodoxy among economists and other social scientists. The emerging specialists in the new discipline of development economics envisaged 'a growth process that requires the systematic reallocation of factors of production from a low-productivity, traditional technology, decreasing returns, mostly primary sector to high-productivity, modern, increasing returns, mostly industrial sector' (Adelman, 1999: 1). To accomplish this transformation, government was seen as the prime mover that would 'propel the economy from the uncoordinated, low-income, no-long-run-growth static equilibrium to the coordinated, high-income, dynamic equilibrium, golden-growth path' (Adelman, 1999: 1). Government had to play the role of entrepreneur to fill gaps – often large ones – left by the underdeveloped private sector.

During the 1970s, this model of economic growth came under increasing scrutiny and criticism as it was patently not working in the majority of developing countries in Africa, Latin America and even Asia. State intervention in the economy had not delivered rapid growth. The nations of the Third World were, in the majority of cases, not catching up with the developed economies but falling further behind (Greig et al., 2007). Among the principal causes was the capture of the state by interest groups intent on furthering their own particular ends, rather than promoting an inclusive vision of development. State involvement in the economy was often an opportunity for politicians and bureaucrats to extract rents, bestow favours and manipulate markets for economic returns and political support (Bates, 1981; Murphy et al., 1993; Myrdal, 1968). Even the policies proved to be wrongheaded, notably import substitution industrialisation (ISI) that created inefficient industries sheltered by tariff walls and often supplying domestic consumers with low-quality products at high prices (Baer, 1972; Hirschman, 1968).

Increasing disillusionment with the prevailing models of development among a wide range of actors including politicians, academics, bureaucrats and international agencies led to a consensus that government was in fact the problem. What was needed was a strong dose of market discipline. The schools of 'Getting prices right', 'trade is enough' and 'evil government' were in the ascendant (Adelman, 1999: 3). This return to neoliberal economics was led by the Reagan and Thatcher governments in the United States and the United Kingdom, and exported across the globe by the World Bank and International Monetary Fund (IMF). It culminated in the Washington Consensus, a list of policy directives for government to adopt fiscal discipline, minimise regulation, sell off public enterprises, reduce the size of the bureaucracy, get people to pay for services and open up for foreign capital and trade (Williamson, 1990). As the World Bank's annual *World Development Report* (1991) said, 'governments need to do less in those areas where markets work, or can be made to work, reasonably well' (p. 9).

While many debt-ridden countries had little alternative but to accept the neoliberal prescriptions of the World Bank and IMF, there was still heavy criticism of this reliance on the market for economic development. Some commentators picked up on the exceptional growth records of the small group of East Asian countries in which the state seemed to have a lot to do with economic development (Amsden, 1989; Wade, 1990). Others pointed to the deep structures of patrimonialism rather than urban-biased states distorting agrarian markets as the key to understanding the incapacity of governments to promote coherent development policy (Evans, 1989; Sandbrook, 1985). There was criticism of opaque privatisation exercises that transferred state assets – sometimes monopolies – to the rich and powerful. Structural adjustment loans that came with conditionalities to reduce government spending were accused of reducing the services available to the poor, hence increasing poverty and producing 'anaemic economic growth' (Kohli, 2006: 581).

Having been banished to the sidelines for the 1980s and at least the first half of the 1990s, the state started to reappear in mainstream development thinking. This was partly as a result of the criticisms of neoliberalism, but it was more the realisation that a large body of evidence had built up about major state involvement being a key to the economic success stories of East Asian countries (Belassa, 1988; Deyo, 1987). Over three decades, Korea, Taiwan, Hong Kong and Singapore – the Asian Tigers – had moved 'from being poor agrarian societies or city states in the 1960s to producers of high technology, high value-added goods in the 1990s' (Fritz and Rocha Menocal, 2006: 3). The World Bank (1993) called it the 'East Asian Miracle' and went on to dedicate the 1997 *World Development Report* to 'rethinking the state' (World Bank, 1997). The state was being rehabilitated and was once again depicted as 'central to economic and social development' (World Bank, 1997: 1). The Washington Consensus was increasingly viewed as a flawed guide to the relationship between state and market in the process of development (Stiglitz, 2002).

The capable state

Bringing in the state back in coincided with economists rediscovering the role of institutions and the rise of interest in governance. The revitalisation of the study of institutions was ignited by North's (1990) enormously influential book, *Institutions, Institutional Change, and Economic Performance*, in which he challenged the idea that institutional improvement automatically occurred as a by-product of economic growth. Such thinking applied especially to neoliberalism but also to the development economists associated with earlier modernisation theory. North (1990) turned the established thinking around and contended that 'improvements in institutions are essential preconditions and determinants of growth' (Fritz and Rocha Menocal, 2006: 3). Others have followed this line of thinking even more forcefully. For example, Acemoglu and Robinson (2012: 430) make the grand claim that 'As institutions influence behaviour and incentives in real life, they forge the success or failure of nations'. Institutions emerge, they say, from politics. Thus, it is from political institutions and processes that institutions are formed and change over time.

But there is no universal blueprint for institutional development that can be adopted by all countries to ensure success. Institutions that work in one place may not work elsewhere and may even make things worse than before. This has been repeatedly demonstrated in public sector management. For example, the experience of the attempted policy transfer of New Public Management (NPM) from rich countries such as the United Kingdom, Australia and New Zealand to Pacific Island states (O'Donnell and Turner, 2005), Southeast Asia (Turner, 2002) and Africa (Batley and Larbi, 2004) has met with differential success but often failure. It is less the silver bullet that is required but more a focus on the quality of institutions that matters. Thus, Rodrik (2002) argues that the question of 'do institutions matter?' is superfluous. What we should be looking at is 'which institutions matter?' and 'what quality are they?'. He notes that institutions can vary between nations, but for long-term economic growth they need to ensure 'dependable property rights, manage conflict, maintain law and order, and align economic incentives with social costs and benefits' (Rodrik, 2002: 11). Responsibility for designing and embedding such institutions rests squarely with the state.

In a similar vein, Andrews (2013) has noted that international financial institutions and bilateral aid agencies have tried to improve the rules of the game to establish 'effective governments that facilitate economic growth' but in reality have often encouraged 'square peg reforms in round hole governments' (p. 1). The context of change is often overlooked but in all cases governments are the 'hub of many such rules, bound by some, and the maker and enforcer of others' (Andrews, 2013: 4; Turner and Hulme, 1997). The solution, says Andrews (2013: 3), is problem-driven iterative adaptation (PDIA), a process involving the identification of problems in their contexts, and the crafting of specific solutions that are 'politically acceptable and practically possible'. While this PDIA involves the interplay of multiple agents who create hybrids from internal and external ideas, the state and its officials are key actors.

At the same time as the institutionalists were making their presence felt in the 1990s, another closely allied stream of thinking and practice emerged in response to the poor performance of governments and the renewed recognition of their vital roles in socioeconomic development. This was the rediscovered and overhauled concept of governance defined broadly as 'the setting, application and enforcement of the rules of the game' (Kjaer, 2004: 12). Governments were seen to have failed their citizens and had been captured or interfered with by particularistic interests which undermined the effectiveness of the state. What was needed was 'good governance', a normative concept with various interpretations, but one which invariably included state capability as expressed in public sector management, accountability of state institutions and the rule of law (Asian Development Bank, 1995; World Bank, 1992). Good governance promoted the developmental aspect of the state but simultaneously sought to control its power. It was also criticised for being idealistic, imposing demands beyond the capacities of many countries (Fritz and Rocha Menocal, 2006) and led to the more realistic agenda of 'good enough governance' (Grindle, 2004).

Good enough governance is closer to the requirements of the developmental state than those of 'good governance' as it takes the more instrumental approach of using governance to achieve socioeconomic development as its prime task. For example, both the developmental state and good enough governance have no commitment to a particular regime type, while good governance is wedded to democracy. The developmental approach sees the state's duty as actively fostering economic development but avoiding capture by particular groups. This is close to good enough governance's prescriptions for the identification of state priorities (for example, economic growth) and its responsibility for producing core public goods which should contribute to economic development. By contrast, good governance approaches focus on the setting up of rule of law frameworks for the operation of markets, a position close to neoliberal prescriptions for the state.

From both the institutionalist and good governance perspectives, economic growth needs a capable state. One of the key components of such a state is effective public sector management. The importance of this fact was raised in the 19th century by Weber (1948) in his seminal writings on bureaucracy where he identified it as 'one of the institutional foundations of capitalist growth' (Evans and Rauch, 1999: 749). However, the neoliberal ascendancy from the late 1970s to the 1990s reflected disillusionment with the poor performance of the state bureaucracy in economic development, but still validated Weber's (1948) observation that 'The consequences of bureaucracy depend therefore upon the direction which the powers using the apparatus give to it' (p. 230). This direction could be developmental or it could be the takeover of the state by particularistic self-seeking interests. What was crucial for Weber (1948) was the distribution of economic and social power 'especially upon the sphere that is occupied by the emerging bureaucratic mechanism' (p. 230). This was seen in the developmental states in the prioritisation of economic growth by state leaders and the accompanying concentration of power in specific bureaucratic state institutions to facilitate that growth.

But is there a systematic association of Weberian bureaucracy with economic growth? Evans and Rauch (1999) attempted to test this proposition with a comparison of 'core state economic agencies' for 35 countries over the period 1970–1990, the time when developmental states were in their growth heyday. They developed a 'Weberianness Scale' of simple characteristics identified by Weber as being typical features of bureaucratic forms of organisation. These were meritocratic recruitment and a predictable career ladder. One important result of such characteristics would be to distance public servants from powerful rent-seeking groups. Their findings were that the four East Asian Tigers (Korea, Taiwan, Hong Kong and Singapore) exhibited 'both high growth and Weberian bureaucratic traits' (Evans and Rauch, 1999: 757). Malaysia was outside this group, but the nearest of the other countries. Meanwhile low growth and low Weberianness were demonstrated by groups of countries from Sub-Saharan Africa and Latin America. Evans and Rauch (1999) concluded that it was not necessary to have the entire state bureaucracy structured in a Weberian style to have a positive effect on growth. Rather, 'Having Weberian structures in the strategic core of the bureaucracy may be sufficient' (Evans and Rauch, 1999: 760).

For economic success, Weberianness could not be taken too far or the bureaucracy would run the risk of becoming detached from society. What was needed, said Evans (1995: 12), was 'embedded autonomy', 'a concrete set of social ties that binds the state to society and institutionalized channels for the continual negotiation and renegotiation of goals and policies'. The developmental state does not simply dominate society but interacts with it, sometimes intimately and at other times aggressively in pursuit of the joint project of socioeconomic transformation. Thus, Weiss (1998) sees four types of government–business interactions in the developmental state: disciplined support in which business performance is exchanged for government support; public risk absorption by the state to encourage innovation in business; private sector taking the initiative for suggesting particular policies for government to evaluate; and public–private alliances for technological innovation. The state engages business in these various ways according to the perceived needs at particular times for economic growth and development.

The importance of state and bureaucratic capability in development has also been strongly stated by Turner and Hulme (1997). Their book on governance, administration and development carries the subtitle of 'making the state work' and is based on the proposition that 'the nature and performance of public sector organizations are critical elements in determining developmental success' (Turner and Hulme, 1997: 1). While they acknowledge that many factors led to developmental failure and disappointment, prominent among these factors was that 'public sector organizations have often performed poorly' (Turner and Hulme, 1997: 1). Turner and Hulme (1997) also point to the 'less commonly heard but of equal significance' argument that 'countries that have experienced rapid sustained development … have had effective public sector organizations' (p. 1). While they do not advocate a mono-causal interpretation to developmental success, they do conclude their analysis with the observation that public services in Korea and Malaysia, among others, 'have made significant contributions to national development and political stability' (Turner and Hulme, 1997: 239). In short, their public sector management has been integral to the success of these developmental states.

Malaysia and Korea as capable states in a changing world

This Special Issue of *The Economic and Labour Relations Review* is concerned with two capable states, Korea and Malaysia, which have used that capability to produce rapid and sustained economic growth, reduced poverty considerably and greatly improved other welfare indicators for their populations. Each can be considered a developmental state, 'broadly understood as one that evinces a clear commitment to a national development agenda, that has solid capacity and reach, and that seeks to provide growth as well as poverty reduction and the provision of public services' (Fritz and Rocha Menocal, 2006: 4).

Several themes emerge from the articles in this Special Issue. First, that the drivers for developmentalism were different for the two countries. While one might claim that they both took the developmental path through necessity, those necessities were certainly not the same. For Korea, geopolitical forces were the main driver while domestic ethnic relations led to the Malaysian government adopting the developmental orientation. Second, the two cases are temporally separated regarding their starting points: Korea in the 1960s and Malaysia in the 1970s. Malaysia was thus in a position to engage in emulative and inspirational policy transfer from Korea and other East Asian developmental states. Such policy emulation does not entail faithfully copying a policy developed elsewhere but rather adapting it to suit local circumstances, while inspiration is in terms of importing new thinking (Dolowitz and Marsh, 1998). Malaysia's Look East policy in the 1980s is a clear example of both these types of policy transfer.

The third theme is of changing contexts for development. Despite broad similarities, there are differences between the developmental states in Northeast Asia and those in Southeast Asia. The first difference is the capacity of the state to lead economic development. The Northeast Asian developmental states of Japan, Korea and Taiwan had competent technocratic public sectors committed to economic development that was implemented in a carefully planned and staged manner (Beeson, 2004). On the other hand, Southeast Asian governments including Malaysia, Indonesia and Thailand, made more use of market-based mechanisms or foreign direct investment (FDI) by multinational enterprises (Jomo, 2001, 2005; Zysman and Doherty, 1995). Doner et al. (2005) identified the systemic vulnerability of the Northeast Asian countries to explain their differences from those in Southeast Asia. The effective capacities of the Northeast Asian developmental states emerged during a period of geopolitical insecurity and in economies where natural resources were limited. Southeast Asian countries did not face such systemic vulnerability, and the ruling elites of Indonesia, Malaysia and Thailand were able to consolidate their political coalitions and entrench their power bases. Ensuring the legitimacy of their regimes through rapid economic development and industrialisation was not necessarily their primary goal as it was in Northeast Asia.

Second, other scholars argue that while Northeast Asian developmental states set the goal of economic development as a basis for the effective socioeconomic transformation of the entire nation, Southeast Asian governments tended to focus on other goals such as inter-ethnic equality in wealth distribution (Booth, 1999), or to protect the economic and political interests of ruling classes (Woo-Cumings, 1999).

The third difference relates to the historical contexts and variation in the development paths adopted by Northeast and Southeast Asian countries. Zysman and Doherty (1995) classified economic development in East Asia into three historical phases: industrialisation in Japan, the Cold War late industrialisation of Korea and Taiwan, and the late–late industrialisation evident in Thailand, Malaysia and Indonesia. As the historical environments along with the opportunities and obstacles were different in each phase, the roles of government differed as well. Consequently, Zysman and Doherty (1995) argue that these countries cannot be grouped as a single set of developmental states. In support of this perspective, Booth (1999) noted that Southeast Asian countries such as Indonesia, Thailand and Malaysia had different colonial legacies from Northeast Asian countries. As a result, the educational, social and welfare environments necessary for economic development were significantly different from those of Northeast Asian countries.

While Régnier (2011) observed that countries in both Northeast and Southeast Asia share the common characteristics of developmental states, he argued that the 1997 Asian Financial Crisis and the global recession of 2008–2009 caused a transition of Southeast Asian states towards ‘pragmatically hybridised’ developmental states. Northeast Asian countries have made a transition to more liberalised welfare states, whereas Southeast Asian developmental states have tended towards a mixture of state-guided and market-focused economic systems and a combination of authoritarian and democratic approaches to governance.

Despite these differences between Northeast Asian and Southeast Asian developmental states, many scholars agree that East Asian countries may be classified broadly into a common group of developmental states characterised by an interventionist government. Thus, Beeson (2004) argues that all governments in East Asia have been developmental as their policies are primarily designed to promote economic growth, and the developmental state model has been re-confirmed through the remarkable growth and development of China (Beeson, 2009; Hayashi, 2010).

The evolution of developmental states in East Asia

Recent changes in the political, economic and social environments, both within the region and in the world, have led to renewed debates regarding the role of East Asian developmental states – in particular whether the East Asian developmental state of the past is still effective. Changes in the internal and external environments of these states have become more pronounced from the 1980s onwards, and include the ending of the Cold War, the acceleration of globalisation, pressures for political democratisation and the 1997 Asian Financial Crisis (Deen, 2011; Lim, 2009; Régnier, 2011; Stubbs, 2009).

During the Cold War period, Western industrialised countries provided support to developing countries in order to reduce economic instability and prevent communist takeover. When the Cold War ended, some of this support was withdrawn in areas such as protection of domestic economies, support for industrial policies to promote selected industries, economic aid and access to the markets of Western countries. As the era of ideological division ended, East Asian countries faced stronger international competition from industrialised countries. In this environment, the policies of traditional developmental states were no longer as effective and new policies needed to be adopted (Deen, 2011; Hayashi, 2010; Oni, 1991; Stubbs, 2009).

The second environmental change involved the acceleration of globalisation and the widespread adoption of neoliberal economic policies. Industrialised countries and international financial institutions began to exercise their influences in order to restrict the interventionist policies of the East Asian developmental states, in particular in the areas of finance, government–business relations, industry development and international trade policies. For both countries, there has been increasing integration into the global economy. Global governance institutions such as the IMF and World Trade Organization (WTO) have extended their regulatory authorities, leading to greater exposure to international economic forces and competition for Korea and Malaysia. This has resulted in the ‘shrinking of development space’ for Korea and Malaysia in that the policy options available have become fewer in number, due to participation in international regimes such as Trade-Related Intellectual Property Rights (TRIPS) and The Agreement on Trade-Related Investment Measures (TRIMs) (Wade, 2003). Many policy instruments previously used to promote economic development were modified as the newly industrialising states were required to conform to the standards of a globalised, liberalised world. Thus, the capacities of East Asian governments to intervene in their domestic economies declined (Beeson, 2004; Jomo, 2005; Lee and Kim, 2010).

Other changes occurred in East Asian countries’ domestic environments. The most important change involved pressure for increased democratisation from the mid-1980s. This has been a major aspect of changing contexts for Korea (and to a lesser extent Malaysia) along with the growth of elements of a welfare state (Kwon, 2005; Lee and Ku, 2007). This progress of democratisation has restricted the capacity of the East Asian developmental states to intervene in their economies in an authoritarian manner, and has led to the adoption of more democratic decision-making processes and policies. Accountability has also become more important, with governments having less autonomy to act independently of public and sectoral wishes. The historical exclusion of low-income groups from the priorities of economic development could no longer be sustained, as governments were pressured to improve the provision of welfare services and to reduce income inequality (Kwon, 2005; Lim, 2009; Peng and Wong, 2004; Song, 2003). Nevertheless, East Asian states have afforded only limited support for the political position of worker organizations and the safeguarding of labour standards (Deyo, 1989; Bamber et al, 2012).

Owing to changes in external environments reflecting increased adoption of neoliberal economic policies in the face of globalisation, the interventionist policies of the traditional East Asian developmental states became less evident as their capacity to intervene shrank significantly. This has given rise to speculation that the East Asian developmental states have been either dismantled (Ginsburg, 2001) or eclipsed (Chu, 2009) and are no longer effective (Deen, 2011). However, overall, East Asian developmental states retained some basic capacity to intervene and they continue to do so. It has been proposed that the role of East Asian developmental states has been 'transformed' (Kwon, 2005) and that they are continually 'evolving' (Cherry, 2005). Two directions of transition are evident. One is a transition or evolution into welfare states (Peng and Wong, 2004), and the other involves these states becoming more adaptive (Wong, 2004).

The next article continues with the Malaysian experience, making a detailed examination of the country's record of economic growth and development. It is particularly concerned with the role of structure and agency in Malaysia's experience. On structural matters, the article clearly demonstrates the centrality of inter-ethnic relations in the state's choice of developmental targets and the economic policies needed to achieve them. It also emphasises Malaysia's historic openness to world trade, and more recent imperatives to become more integrated into global economic regimes. However, in recounting the story of Malaysia's development, it is also shown how government reacted to specific circumstances, established particular institutions and imported policies from other countries. Thus, the article concludes that Malaysia's trajectory of development can be best seen in the interaction between structural and agency factors to produce a unique experience.

The third article examines a contemporary Korean success story, the phenomenal growth of the country's cultural industries. These include music, television drama, animation, video games and movies. The article commences the cultural story in the early developmental days when the authoritarian state used culture as an ideological device to justify its policies. Attention then moves to the loosening of censorship and the promotion of culture as a distraction for the public. However, in the 1990s, culture industries began to innovate and expand in association with the freedoms gained through democratisation. The government also saw opportunities and has played a developmental role through funding and creating an enabling environment for cultural industries to flourish. Government has supported innovation, aided new product development in information, communications and advanced electronics, made heavy investment in broadband, and promoted skills development. All of these activities are reminiscent of the developmental state.

The fourth article is concerned with state innovation in public administration in Korea. As earlier demonstrated, the Korean state developed good state capability in public administration to effectively manage the country's economic growth and development. The government has built on this capability to propel Korea to world leadership in e-governance. This article traces the government's policies on e-governance, their implementation and their effect. The story of the Korean government's involvement in e-governance shows how much can be achieved by a capable state that can organise its resources to achieve clearly identified policy goals. Korea has, in fact, provided a model for e-governance development from which other countries can select items which they wish to emulate. The Korean experience with e-government has occurred, however, amid ongoing concerns by citizens and civil society of overly close ties between Korea's large conglomerates (*chaebols*) and political elites, resulting in ongoing corruption scandals and low levels of public trust in political parties and Korea's National Assembly.

The fifth article examines the emergence of e-government across Malaysia's national and subnational public sectors. The government of Malaysia has historically been willing to experiment and innovate to improve the efficiency and effectiveness of public service delivery, and e-government initiatives have spread across most government organisations at central and subnational levels. The article details a range of services that include electronic procurement, an electronic labour exchange for job-seekers, court services and local government services. However, challenges to the implementation of e-government services include resistance by public officials to e-government service delivery and a preference for counter services by clients. Mobile phones are increasingly being used to encourage citizens to use e-government services on a regular basis.

Conclusion

Taken together, the articles in this symposium indicate that despite the claimed demise of the developmental state, there is still some life left in it, albeit far less than before due to the 'shrinking of developmental space'. Some contemporary policies of economic promotion in both Korea and Malaysia have characteristics of actions taken by both states in the era when they had much more room to manoeuvre. Also, in response to both domestic and international pressures, there has been innovation in public sector management, seen in Korea's global leadership in e-governance and Malaysia's use of selected NPM initiatives to increase efficiency, effectiveness and competitiveness.

Acknowledgements

The authors wish to thank the Editor-in-Chief for arranging the anonymous refereeing of this article, and the referees for their suggestions for this article. All five articles in the symposium were of course subject to double-blind peer review.

Funding

This work was supported by the Academy of Korean Studies Grant funded by the Korean Government (MEST) (AKS-2010-DZZ-3101).

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Author biographies

Mark Turner is Professor of Development and Management in the School of Government and Policy at the University of Canberra. Mark's research interests include Asia-Pacific public administration and development, Asia-pacific decentralisation, and kidnapping and Philippines politics, with special reference to Mindanao and Muslim autonomy.

Michael O'Donnell is Professor of human resource management in the School of Business at The University of New South Wales, Canberra, and an Associate of the Industrial Relations Research Centre, UNSW, Sydney. Michael's research interests include public sector employment relations, international employment relations and performance management in the public sector.

Chung-Sok Suh is the Executive Director of the Korea Research Institute and a Professor in the School of Management at UNSW, Sydney. He received a doctoral degree in Economics from UNSW. Chung-sok's research interests include Economic Development, Foreign Direct Investment, and the Globalisation Strategies of multinational enterprises from emerging countries.

Seung-Ho Kwon is the Deputy Executive Director, Korea Research Institute, UNSW, Sydney. He received his Doctoral degree in Industrial Relations from UNSW. His research interests include multinational companies in Southeast Asia and Cultural Industries.