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The Political Economy of Automotive Industrialization in East Asia makes a significant contribution to the field of political economy, with insights that extend beyond its immediate focus on the automotive sectors of seven countries in East Asia.

A major theoretical contribution is the conceptualization of institutional fit. This is an important advance on debates over the broad consequences of institutional characteristics. DNR make it clear that we need to ask first what any given institution is for. Which specific coordination, commitment, or collective action dilemmas need to be resolved? This is a question raised in earlier work by the authors, but this book extends the analysis. The statement that functional institutions need to be fit-for-purpose is uncontroversial, but it needs stating in terms that specify the particular purposes at issue. The book succeeds in doing this in its identification of the specific developmental challenges that need to be overcome when pursuing different strategies in the automotive sector.

DNR distinguish between extensive and intensive developmental pathways, and map these onto the challenges facing firms in their quest to acquire capabilities for industrial upgrading in each. The book does more than list the specific capacities firms need to acquire. It presents the underlying challenges in acquiring these capacities in terms of the type of market failure at work in each case, with an emphasis on the failures that can be resolved through coordination or collective action. DNR show

that while the “immediate actors in this industrial drama” are individual firms, the field of collective action extends to a broader set of actors and institutions. The resulting schema provides a convincing explanation for different developmental pathways within the automotive sector, and different experiences of success or failure in each. They show that while national-level institutions are salient, models that ascribe general purpose developmental functionality to national institutions fail to explain outcomes.

A related and equally significant contribution of the book is the case it makes for considering “institutional ecologies” rather than stand-alone institutions. What matters, the authors argue, is the institutional mix of interlinked public and private sector institutions. Business associations, for example, with apparently similar characteristics will play different roles depending on the constitution of other institutions in the national landscape. The capacities of each are dependent on the attributes of others. This takes us well beyond Dani Rodrik’s observation that there is more than one institutional fix to problems of development. It is also an advance on Oliver Williamson’s rather abstract observation that the efficiency of different “mechanisms of governance” in his hierarchy-network-market schema depends not just on technological or product characteristics, but also the macro-institutional environment within which firms operate. DNR bring specificity to this general point, showing the ways in which the shifting institutional ecologies relevant to the development of the automotive industry worked.

The magnitude of the task to deliver convincingly on these fronts is enormous. Adding analytic specificity to the cooperation challenges that institutions resolve in a particular sector requires an extraordinary grasp of the detail at both industry and firm level. As someone who still remembers, decades later, the sense of facing an impossibly daunting task when reading Richard Doner’s first book on industrialization in Southeast Asia while scratching around for my own dissertation topic, I recognize this is not for the faint-hearted.

A similar grasp of detail across a broad field also underpins the ability of DNR to deliver seven rich and rigorous comparative case studies. The book’s comparative breadth is rare, because the expertise required to work across so many national contexts is rare. The depth of country-specific understanding sustained across all seven analytic narratives in this book could probably only be delivered by a multi-author team, each member of which draws on considerable expertise in both the region and the sector.

The book also raises questions that invite further investigation. The first is to develop its *ex ante* specification of the institutional attributes that matter for any developmental task. DNR offer an essentially Weberian understanding of capable state sector institutions, but they resort of necessity to proxy measures when it comes to empirically categorizing the state institutions under study. Many such measures of state capacity or government effectiveness (control of corruption, for example) are in a sense institutional outputs. The effectiveness of vocational and technical education, a key variable for this study, is an output all too lacking in many countries with supposedly effective state institutions. To use an example close to home, New Zealand’s long slide in educational performance and repeated failures in implementing industry training schemes shows my country falls far behind the

Korea described in this book. And yet it is not clear which aspects of New Zealand's institutional ecology are responsible for this dismal record. As argued by DNR, it is unlikely to be anything captured by general measures of government effectiveness, on which New Zealand scores highly. We learn from DNR that intermediating institutions between industry, government and research institutes are crucial, but it is less clear what makes them effective. The chapter on Malaysia, for example, points to the lack of industry information in the state-sector organizations tasked with industry policy. But why did they not acquire better information, or forge better connections? We know when the institutional interface between business and government is working well, but it seems harder to specify what makes it work well.

An *ex ante* specification of the institutional characteristics conducive to particular developmental tasks is also complicated by institutional change, which presents a methodological challenge for empirical study. How Weberian are any of the East Asian states these days? If institutional stickiness persists in the states where such institutions were created in the past, is this something that in itself calls for explanation, given that much of the traditional Weberian recipe has fallen out of fashion elsewhere? It has been a long time since the seminal studies of bureaucracy in East Asia were conducted decades ago, making this an area ripe for close-range study.

The task is a more micro-level one than fits into *The Political Economy of Automotive Industrialization in East Asia*. And yet the micro-level may be where some of the action is. What is it, for example, that ensured that—despite corruption—Korea was able to maintain a high level of discipline when it came to things like meeting export targets? DNR offer two approaches to answering this question. One is rather ad hoc, calling on contextual factors that either permitted or required a degree of discipline at a particular moment. For example, we learn page 161 that “the high debt-equity ratios of corporations (double those in Taiwan) enabled the state to discipline them for failure to meet stipulated targets— at least until the 1980s.” But there must be more to the story than this. Even when a mighty corporation such as Samsung outgrew state-supported finance, its pursuit of technological innovation and success in world markets remained. Why? Following the example of many tycoons in the region, the Samsung heirs might just as well have diverted their spoils to mega-yachts and property investment portfolios.

DNR's theorized answer to the question of why discipline or 'effectiveness' is forthcoming focuses on the state sector side. Their account of institutional origins sets out the conditions under which politicians have incentives to construct disciplined and effective state institutions. This is the differentiating factor between Malaysia and Korea, both of which embarked on intensive developmental pathways in the automotive sector. The Malaysian state had ample means to discipline private firms, but at crucial moments chose to prioritize inter-ethnic redistribution or simply the personal pecuniary interests of the regime and its cronies. DNR's reasoning as to why rests on the level of security threat combined with the degree of resource constraint facing the regime. This leaves open some unknowns. The institutionally corrosive effects of abundant natural resource revenues are well-demonstrated. But the pathway by which resource constraint works to create incentives for constructing more disciplined state institutions is strewn with contingencies. Similarly, the ways

in which elite awareness of security threats mediated decisions around the creation (or destruction) of institutional capacities is a task for a different study.

What the *The Political Economy of Automotive Industrialization in East Asia* does deliver is a major contribution to the political economy of institutions that addresses live policy debates over the need for industry policy and the conditions for its success. Its innovative analysis of institutional ecologies and their fit as mapped against the tasks of different developmental strategies in a specific sector will have enduring relevance for scholarship on institutions and development. The clarity and cogency of the argument should also help catalyze studies that explore the argument—and theoretically adjacent uncertainties—in other sectors and other contexts.

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For scholars and practitioners of development, the perennial questions are the “to what extent, with what, and why” of state capacity. In their recent book, *The Political Economy of Automotive Industrialization in East Asia*, Richard F. Doner, Gregory W. Noble, and John Ravenhill (2021) examine industrial upgrading in automotive sectors in seven Asian countries to answer these important questions. To understand the extent and scope of automotive industrialization, they distinguish between extensive versus intensive growth. The former represents assembly efforts coordinated largely by foreign direct investment (FDI). In contrast, intensive growth is measured by indigenous capacity to design whole vehicles and produce value-added components and parts. The authors contend that an interplay of constrained natural resource endowments, external threats, and domestic political pressures explains cross-national variation in institutional strength for industrial diffusion and learning.

DNR find that Thailand, Indonesia, Malaysia, and the Philippines have pursued extensive growth with relative success without attaining intensive growth. The knowledge and technological requirements for the assembly of completely knocked down kits (in partnership with foreign investors and foreign automakers) are high, but not nearly as high as those for design. In contrast, China, South Korea, and Taiwan are strong performers in intensive growth. China assembles domestically branded cars and component parts for export. In 2019 China ranked third in volume of components exports, followed by Korea at number six. Taiwan placed twenty-