**Week 2—Chatterjee (something something electricity)**

* In many postcolonial countries, energy expansion became a state-led moral project.
* Contrary to “fossil capitalism” logic of commodification, electricity provision was conceptualized as a national good. This led to a (partial) democratization of the consumption brought by fossil developmentalism.
* Increasing numbers of natural scientists and cultural critics agree that our planet has entered the “Anthropocene,” a new epoch in which humanity’s influence has reached geological scale.
* This critique argues that the responsibility for our present climate doom lies in the commodification of nature at the hands of a narrow capitalist elite. Hence, this epoch is labeled the “Capitalocene.”
* This view is centered around Britain in the First Industrial Revolution and the rest of the world merely appears in these accounts as a passive receptacle.
* However, focusing our analysis on Asia complicates this narrative.
* Grid electricity production is at the heart of the climate crises that appear in these grand narratives, but it has received little attention from Anthropocene scholars, perhaps because of its technical complexity.
* This lens of electrification challenges the thesis of a simple relationship between colonialism and the spread of fossil capitalism. It reinforces the emerging scientific consensus that the new “age of mankind” ought to be dated to the postwar boom in energy consumption and its environmental impact – the so-called “Great Acceleration.”
* Furthermore, it was not private capitalists but the state that led this process of electrification, especially favoring mega-projects. Cheap electricity was decommodified and was regarded as a right and a necessity.

Provincializing the Anthropocene

* Energy seems to be at the heart of the Anthropocene. This epoch is bound with the shift towards large-scale combustion of fossil fuels.
* Humans obscure huge hierarchies of class and region. An elite minority has produced, and benefited from, much of the world’s emissions. This is the “Capitalocene” critique as popularized by Naomi Klein.
* One line of argument that emerges from this critique traces fossil capitalism’s origins back to the colonization of the Americas and the slavery-based extraction that followed it, which ended up appropriating human labor and the natural world for capitalist accumulation.
* However, such accounts again ignore or sideline Asian experiences of colonialism. If the “ghost acres” of the colonies helped to spark industrialization, vast supplies of fossil energy were essential to sustain it.
* Capitalocene scholarship thus extrapolates global narratives from the histories of Atlantic colonialism and the First Industrial Revolution. What apparently followed was the “westernization of the world,” a process of “becoming Europe,” so much so that the “Anthropocene is an Anglocene.”
* These accounts thus replicate an old, Eurocentric master narrative of modernity. These narratives do not capture Asian historical experiences of fossil energy expansion.
* Examining electrification shows us that there is no neat relationship between European colonialism and fossil capitalism.
* In much of South and East Asia, fossil expansionism was driven not by a narrow capitalist elite but by the state, which spear-headed electrification through their developmentalist projects.
* The desire for cheap energy was no longer simply an outcome of capitalism; it undergirds the moral economy of the modern nation-state.

Capitalism, Colonialism and Climate

* As noted above, electrification in Asia suggests a more complex relationship between colonialism and the fossil economy. Colonial regimes often restricted technology transfer to the periphery, even as domestic actors pushed to embrace the mineral economy.
* In India, while the East India Company was responsible for the beginning of mineral interest, it wasn’t until independence in 1947 that coal use expanded rapidly for residential consumers.
* In China, just as in India, initial interest in the country’s vast mineral resources was provoked by Western geologists, but further expansion was done by Chinese researchers who trained in various European schools and established their own geological society, surveys, and journal; trained their own students; and became increasingly connected with nationalist projects of resistance to the European powers.
* Outside East Asia, most of Asia’s already huge population would have to await the end of colonialism, and often well beyond, for their own electricity connections.

Fossil Developmentalism and The Great Acceleration

* More than half of all carbon emissions from fossil fuels have been produced over the last three decades.
* The state-run electrification had welfare interventions that sought to democratize fossil consumption by facilitating electricity access for an increasingly wide swathe of the population across much of southern and eastern Asia.
* Across the ideological spectrum, science and technology were increasingly viewed as the key drivers of development. Lenin famously said that communism meant “soviet power plus the electrification of the whole country.”
* France and Britain nationalized their electricity industries in 1946 and 1948. Even in the US, powerful interests came to a monopolistic ‘utility consensus’ in the early 1900s: private monopolies operated in noncompetitive markets, supplemented by heavy state regulation.
* Both the Soviet Union and the United States pursued energy-intensive heavy industrialization, while preserving a crucial guiding role for the state. The difference may simply have been in their degree off efficiency and environmental destructiveness.
* In Asian societies, the desire for accelerated national development bolstered the importance of state intervention.
* The Marshall Plan-era US was committed to the idea that the Asian growing power sectors belonged in state hands. In Thailand, for example, USAID encouraged the creation of state-owned electricity companies.
* Under such state leadership, Asian electricity production went up forty-fold between 1950 and 1990. Rapid expansion of physical electricity assets thus occurred not in the hands of private fossil capitalists but within state-owned frameworks.
* In postcolonial Asia it was hydroelectricity that the technonationalist pride and utilitarian calculations characteristic of fossil developmentalism found their purest expression.
* Dams were the temples of modern India, Prime Minister Jawaharlal Nehru famously declared, consoling displaced villagers that “if you are to suffer, you should suffer in the interest of this country”.
* Starting in the 1980s, state monopolies began to be challenged by electricity liberalization, which included corporatization, restructuring, privatization, and independent regulation. Pioneered in Britain and Chile, it was adopted widely across Europe, the US, Australia, and NZ and taken forth internationally under the aegis of the World Bank and the Asian Development Bank.

Democratizing Consumption: The Decommodification of Electricity

* As it became increasingly politically inconvenient to cater solely to the urban rich’s electricity interests while leaving the masses in the dark, the governments started to facilitate a partial democratization of fossil energy consumption.
* This project of fossil developmentalism was not just distinct from fossil capitalism but potentially detrimental to it. Democratic politics appeared to increase opportunities for other socioeconomic groups to challenge ‘fossil capitalist’ interests, directing resources away from capital accumulation towards alternative objectives.
* The democratization of energy consumption has been incomplete and deeply unequal, as governments continue to ignore the politically unbeneficial, often the poorest and most marginalized, communities in the process.

**Week 3 – Ha-Joon Chang**

Ha-Joon Chang - “Kicking Away the Ladder”

. Great pressure on developing countries from the developed world/ international development policy establishment (IDPE) to adopt ‘good policies’ (those prescribed by the Washington Consensus - restrictive macroeconomic policy, trade liberalization, privatization, deregulation etc.) and ‘good institutions’ (those found in developed countries - democracy, ‘good’ bureaucracy, independent judiciary, private property rights etc.). Heated debates on whether or not these recommended policies and institutions are in fact appropriate for today's developing countries.

. Is it really true that the policies and institutions currently recommended to the developing countries are those that were adopted by the developed countries when they themselves were developing? Bits and pieces of historical evidence suggest otherwise.

. Developed countries did not get where they are now through the policies and the institutions that they recommend to developing countries today. Most of them actively used 'bad' trade and industrial policies, such as infant industry protection and export subsidies - practices that these days are frowned upon, if not actively banned, by the WTO (World Trade Organisation).

. Until they were quite developed (that is, until the late nineteenth to early twentieth century), they had very few of the institutions deemed essential by developing countries today, including such 'basic' institutions as central banks and limited liability companies.

. Freidrich List’s infant industry argument.

. Common problem faced by all catch-up economies is that the shift to higher value-added activities, which constitutes the key to the process of economic development, does not happen 'naturally'. This is because, for a variety of reasons, there exist discrepancies between social and individual returns to investments in the high-value-added activities, or infant industries, in the catch-up economies.

. Given such discrepancies, it becomes necessary to establish some mechanisms to socialize the risk involved in such investments. Contrary to the popular view, this does not have to involve direct policy intervention such as tariff protection or subsidies, but could be done by establishing institutions which can socialize the risk involved in such projects.

. However, institutional solution has significant limitations.

* institutions are by nature embodiments of general rules, and therefore may not be effective in addressing problems related to particular industries.
* establishing new institutions can take a long time, and this is therefore likely to limit the ability of countries to respond quickly to new challenges. As a result, a more focused and quick-footed policy intervention may in many cases be preferable to institutional solutions.

. However, the fact that direct state intervention, especially in the form of ITT policies, is often necessary for socializing the risks involved in the development of infant industries, does not mean that there is only one way of doing it - that is to say, by means of tariff protection.

. Many different policy tools used for the purpose across different countries, as a result of the differences in their relative technological backwardness, international conditions, human resource availability and so on. Needless to say, even within the same country the focus of promotion can - indeed has to - evolve over time with changing domestic and international conditions. Typically, the successful countries have been those that were able skilfully to adapt their policy focus to changing conditions.

. Of course, the fact that the use of activist ITT policies is necessary does not imply that all countries that use such policies are guaranteed economic success. As we know from the experiences of a range of developing countries during the postwar period, the success of these policies is critically determined one the one hand by the detailed forms of these policies, and on the other by the ability and the willingness of the state to implement these policies.

. Picture that emerges becomes clear enough: In trying to catch-up with the frontier economies, the NDCs used interventionist industrial, trade and technology policies in order to promote their infant industries. The forms and emphases of these policies may have been varied according to different countries, but there is no denying that they actively used such policies.

. If this is the case, the currently recommended package of 'good policies', which emphasizes the benefits of free trade and other laissezfaire ITT policies, seems at odds with historical experience. With one or two exceptions (e.g., the Netherlands and Switzerland), the NDCs did not succeed on the basis of such a policy package. The policies they had used in order to get where they are now - that is, activist ITT policies - are precisely those that the NDCs say the developing countries should not use because of their negative effects on economic development.

. Only possible way for the developed countries to counter the accusation that they are 'kicking away the ladder' would be to argue that the activist ITT policies which they had previously pursued used to be beneficial for economic development but are not so any more, because 'times have changed'. 'Good policies' of yesterday may not be 'good policies' of today. However, paucity of convincing reasons for why this may be the case + poor growth records of the developing countries over the last two decades suggest that this line of defence is simply untenable.

. Plain fact is that the Neo-Liberal 'policy reforms' have not been able to deliver their central promise - namely, economic growth. When they were implemented, we were told that, while these 'reforms' might increase inequality in the short term and possibly in the long run as well, they would generate faster growth and eventually lift everyone up more effectively than the interventionist policies of the early postwar years had done. The records of the last two decades show that only the negative part of this prediction has been met. Income inequality did increase as predicted, but the acceleration in growth that had been promised never arrived. In fact, growth has markedly decelerated during the last two decades, especially in the developing countries, when compared to the 1960-1980 period when 'bad' policies prevailed.

. Rethinking Institutional Development: Most of the institutions that are currently recommended to the developing countries as parts of the 'good governance' package were in fact the results, rather than the causes, of economic development of the NDCs. Not clear how many of them are indeed 'necessary' for today's developing countries.

. Even when we agree that certain institutions are 'good' or even 'necessary', we have to be careful in specifying their exact shapes.  Currently dominant view that there is only one set of 'best practice' institutions which everyone has to adopt is highly problematic.

. Arguing that many of the institutions currently recommended by the 'good governance' discourse may not be necessary or even beneficial for the currently developing countries should not be interpreted as saying that institutions do not matter, or that developing countries do not need improvements to their institutions. On the contrary, improvements to the quality of institutions seem historically to have been associated with better growth performance.

. Given that the NDCs had seen a significant development in their institutions since the mid-nineteenth century, it is very plausible that at least a part of this growth acceleration was due to the improvements in the quality of their institutions. Vastly superior economic performance of the NDCs during the so-called 'Golden Age of Capitalism' (1950-1973), when compared to that of the periods before and after, also highlights the importance of institutions in generating economic growth and stability. Most commentators attribute the Golden Age in the NDCs to the introduction of better institutions following Second World War (activist Keynesian budget intervention, fully-fledged welfare states etc.). Provided greater macroeconomic and financial stability, better resource allocation and greater social peace.

. Argues that developing countries were able to grow faster in the early postwar period (1960-1980) than the NDCs had done at comparable stages of development, partly because they had much better institutions than the latter countries had had. Thus improving quality of institutions is an important task for developing countries wanting to accelerate their economic growth and development. However, two significant qualifications need to be made:

* In pushing for institutional improvement in developing countries, we should accept that it is a lengthy process and be more patient with it. It took the NDCs decades, if not centuries, to develop institutions, and that there were frequent setbacks and reversals during the course of the process. 5 to 10-year transition periods currently being given to the developing countries to bring their institutions up to 'global standards' are highly inadequate.
* 'Good' institutions produce growth only when they are combined with 'good' policies i.e. policies that most NDCs were using when they were developing, rather than the ones that they are now recommending to the developing countries.

. What does all of the above mean for the 'kicking away the ladder' argument? Agree that, if done in a realistic way and if combined with the right policies, international pressures for institutional improvements can play a positive role in the developmental process. However, the current push for institutional improvements in developing countries is not done in this way and is likely to end up as another 'ladder-kicking' exercise.

. By demanding from developing countries institutional standards that they themselves had never attained at comparable levels of development, the NDCs are effectively adopting double standards, and hurting the developing countries by imposing on them many institutions that they neither need nor can afford.

Possible objections:

* Developing countries need to adopt the policies and institutions recommended by developed countries whether they like them or not, because that is how the world works - the strong calling the shots and the weak following orders. *However, this is besides the point. Arguing is precisely that these 'new rules' should be changed. Even if chance is small, does not mean that it is not worth discussing how they should be changed.*
* Policies and institutions recommended by the IDPE to the developing countries have to be adopted because they are what the international investors want - in this globalized age it is the international investors who are calling the shots.  Countries that do not adopt policies and institutions that international investors want, it is argued, will be shunned by them and suffer as a result. However,
  + 1) not clear whether international investors do necessarily care so much about the policies and institutions promoted by the IDPE (example of China).
  + 2) Even if the conformity to international standards in policies and institutions were to bring about increased foreign investment, foreign investment is not going to be the key element in most countries' growth mechanisms.  Potential value of a policy or an institution to a country should be determined more by what it will do to promote internal development than by what the international investors will think about it.
  + 3) Even if certain 'good' institutions are introduced under global pressure, they may not deliver the expected results if they cannot be effectively enforced. Problems with institutional changes that are imposed from outside without 'local ownership'
  + 4) as long as the international development policy establishment is able to influence the way in which 'good policies' and 'good institutions' are defined, interpreted and promoted, there is still some value in discussing what policies and institutions should be asked of which developing countries.

'World standard' in institutions has risen over the last century or so, and therefore that the current developing countries should not consider the NDCs of 100 and 150 years ago their role models. Absurd to argue otherwise. Heightened global standard in institutions has been a good thing for the developing countries, or at least for the reformers in them. However, worried about view that institutions are simply matters of choice and therefore all countries should try to reach the 'minimum global standard' right away or after a minimal transition period. Took the NDCs typically decades, and sometimes even generations, to establish certain institutions whose need had already been perceived. Compared to the NDCs in earlier times, today's developing countries already have high standards of institutional development. Given this, it may be unreasonable to ask them to raise the quality of their institutions dramatically in a short time span.

**Week 4 Readings – The state:**

**Evans**:

* Responsibility for economic transformation has become an increasingly important part of states across the world.
* Classic roles of the state like war making and ensuring internal order remain, but there’s a third role that’s also central to it in contemporary era: economic security.
* Better economic conditions also help in fulfilling the military role of the state. However, they also serve as a means of legitimacy.
* This involvement has two facets. First, it means that the state is now implicated in the capital accumulation process. Trying to foster economic growth is far more complicated and requires a greater state capacity than simply maintaining internal order and enforcing good behavior.
* Secondly, since the state is now implicated in capital accumulation, it can no longer blame people’s economic woes on “natural processes” of the market. It becomes implicated in the inegalitarian outcomes of market forces and their resulting oppression.
* Growth remains a central part of delivering welfare to people, even for welfare states.

The global context:

* ‘World-system’ theorists say that nations must find their place in the division of labor based on their ‘comparative advantage.’ Trying to produce what a country can produce best as determined by their resources will lead to maximum welfare for all nations across the world.
* Poor nations have always been skeptical of this theory, arguing that the position in the international division of labor is a cause of development, not just its result. Trying to enter more desirable niches in this division of labor is an important part of the struggle to develop.
* Countries in more rewarding sectors and niches are “developed.”
* Timing is also important. One era’s “multidimensional conspiracy” may become another era’s lagging sector.
* This begs the question: are positions in the international division of labor structurally determined or is there room for agency?
* Proponents of the theory of comparative advantage argue the former. Countries should do what they do best. Whether that thing is advantageous is beyond relevance. Society as a whole loses out if countries try to do something they are not good at.
* However, in the modern world, comparative advantage can be constructed as much as it is determined. According to William Cline, a mere assessment of relative scarcity and national endowments cannot determine what is best for a nation. Social and political institutions must also be factored in as well.
* Historically, the emergence of comparative advantage depends on a “complex evolution of ties among local firms, on government policies, and on many other social and political institutions.”
* Thus, state involvement must be taken as one of the factors that determine comparative advantage.

The Argument:

* In the modern world, state involvement is a given. We should not be asking “how much” states should intervene in the economy but rather “what kind” of involvement is appropriate.
* Evans starts with constructing two types of states: predatory and developmental states.
* Predatory states extract at the expense of society and undercut development even in the narrow sense of capital accumulation.
* Developmental states not only preside over industrial transformation but played a role in making it happen.
* Predatory states lack the ability to prevent individual incumbents from pursuing their own goals. Personal ties are the only source of cohesion, and individual maximization takes precedence over the collective good. These states are characterized by, as Weber put it, a dearth of bureaucracy.
* Developmental states approximate a Weberian bureaucracy. Recruitment is highly meritocratic and long-term career rewards create a sense of commitment and corporate coherence, which gives these apparatuses a certain kind of “autonomy.” They’re not completely isolated from society, rather they are embedded in a concrete set of social ties that binds the state to society and provides channels for the continual negotiation and re-negotiation of goals and policies.
* In short, they have a perfect balance between embeddedness and autonomy, which Evans called “embedded autonomy.”
* Evans describes four rubrics for state intervention: custodian, where state merely plays the role of a regulator; demiurge, where the state takes over the process of production entirely; midwifery, where the state tries to assist in the emergence of new entrepreneurial groups or induces them into more challenging kinds of production; and finally, husbandry, which can take a variety of forms from simple signaling to something as complex as setting up state organizations to take over risky complementary tasks like research and development. A lot of the husbandry techniques overlaps with midwifery.
* Most states combine several of these roles in the same sector. Sectoral outcome depends on how those roles are combined. They do not try to replace private capital, nor does it fixate on preventing it from doing undesirable things. Rather, it creates synergistic promotional relations with entrepreneurs and potential entrepreneurs.

**Heller**:

* The ‘development state’ has been Asia’s iconic contribution to global theories of the state. They gave the world a paradigm for how states can play a positive role in social and economic development and challenged the mid-twentieth century paradigm of the Anglo-Saxon ‘night-watchman’ state.
* Comparative analysis of the sub-regional outcomes in Southeast Asia makes it clear that Asian states can fail as well as succeed, with colonial histories and national socio-political dynamics influencing developmental and democratic outcomes.
* The early successes of Northeast Asia were built in part on the fact that their precarious geo-political situation made them marginal to the mid-20th century strategies of global capital. However, in the following decades, Asia became a central target for the expansion of global investments. This raises the question of how deeply state policy is shaped by the interests of global and local private capital.
* The Northeast Asian developmental state has enjoyed success in promoting societal well-being for over three decades, but its political robustness in the coming decades cannot be taken for granted.
* The future of the Asian state will involve multiple, often contrasting, trajectories in the 21st century.

The NE Asian developmental state:

* Chalmers Johnson’s analysis of the Japanese development in the 1970s created the foundations for the model of the developmental state. But it was the small East-Asian ‘tigers’ – Korea, Taiwan, and Singapore – that managed to change their position in the world economic hierarchy. This kind of shift was exceptional even in the broader context that includes the historical experience of Europe and the Americas.
* Nearly everyone agrees that the East Asian public bureaucracies closely approximate the typical Weberian bureaucracy compared to developing countries in other regions. Meritocratic recruitment and public service careers offering long-term rewards etc.
* This was crucial to providing predictability – both of the ‘rule of law’ sort and the more quotidian administrative and policy sort.
* The next challenge was connecting the state to key actors in society. In East Asia, the connection was made on two different levels:
  + The governments managed to generate a sense of commitment to a collective project of national development, despite political divisions.
  + A dense set of concrete interpersonal ties enabled specific agencies and enterprises to construct joint projects at the sectoral level. This ‘embeddedness’ was as central to the developmental state as bureaucracy.
* The developmental state also had to avoid being politically captured by its business partners to avoid the pursuit of personal gains over national gains. Thus, maintaining dense ties to entrepreneurial elites, while avoiding capture and being able to discipline these elites, is a defining feature of East Asian development states, distinguishing them from less successful states in Asia and Africa.
* This was also made possible by the fact that the earlier violent revolutions in East Asia had wiped out the landed elite as politically effective class actors.
* On the other hand, civil society was excluded from this process as private industrial elites were seen as the key collaborators. Other social groups were peripheral if not threatening to this partnership.
* Geopolitical instability and tiny and unpromising markets meant that global capital found them less attractive than larger markets, which made the success of local projects more dependent on the local capitalists and their collaboration with the state.
* The last quarter century of socio-political transformation in East Asia resembles the post-WWII Golden Age European social democracy.
* The transformation of NE Asian states forced rethinking the meaning of the developmental state, but the emergence of China as a developmental success was an equally important stimulus.

China:

* In the 1990s, the developmental state was seen as the developmental **capitalist** state, which meant that China, seen as a socialist economy, was left out of the literature on developmental states.
* China’s inclusion in the discussions gives a more sophisticated version of the embedded autonomy framework.
* Since before Christ, Chinese rulers were devising ways to ensure the corporate coherence of the state apparatus.
* Its most important aspect was its cultural/ideological dimension. The Confucian-Legalist belief system was the essential cultural complement to the developmental process, as China was far too large for bureaucratic structures to control military and economic elites. This belief system gave the state officials a shared understanding of the aims of the state apparatus and a shared sense of mission.
* In China, too, the absence off a national capitalist class was a signal feature of the political economy. It was only under Deng Xiaoping that the post-Mao state began building a dense network of ties with private industrial elite, which created the basis for building the missing embeddedness.
* The state’s sway over private power appears to remain strong. Tianbiao Zhu concludes that ‘business has not yet come anywhere close to challenging state power.’
* Multilevel embeddedness from local governments are able to exert influence over private capital but still lack the capacity to effectively shape collective strategies.
* The state is orchestrating a programme of industrial development following the classic developmental state path of encouraging investment in higher-value-added sectors that might otherwise be considered too risky by private investors.
* The Chinese state was very effective at delivering capability-expanding collective goods as well as structural reforms such as land redistribution in the 1960–80 period, prior to the rise of the market. The question is whether the new ‘market-friendly’ China will succeed in constructing a robust twenty-first-century version of the developmental state.
* Comparisons between China and Korea paint a somewhat grim picture for China. Korea has outperformed China in life expectancy, income growth, infant mortality.
* This might have something to do with market reforms of the ‘90s and the retreat from the principle of universal healthcare coverage.

Southeast Asian counterpoints:

* If Northeast Asia provided the raw material for what was to become a global template and China complicates the logic of the developmental state, Southeast Asia is the epitome of variation, demonstrating the range of variability that is possible within a single sub-region.
* Singapore is especially interesting in relation to the Northeast Asian developmental states in two aspects. Firstly, it shows that developmental state emergence is not restricted to the geopolitical context of NE Asia. Secondly, it continues to resist pressures for democratization. Elections are held but the opposition is never allowed to win. This shows that emergence of democratization cannot be simply attributed to the effects of material prosperity.
* Vietnam is interesting in relation to China. It has more autonomy, but state-society relations in both countries resemble a lot partly owing to overlapping historical traditions.
* The bureaucratically organized and often repressive party-state dominates civil society. Yet, over decades of resistance to the French and their American successors, the party-state also depended on being able to elicit support from civil society, which suggests again a poorly understood kind of embeddedness.
* It is also a tremendous developmental success in most social indicators as well as growth.
* Not writing about Philippines lol.

India:

* The Indian state defies categorization and has prompted much debate about its nature.
* Since independence, the Indian state has been accountable.
* It has a robust state machinery dominated by high-performing officials and a robust rational-legal governing framework. The Indian state gets its embeddedness from the rights-based popular sovereignty of a vibrant democracy.
* Most academic accounts of the Indian state paint a picture of a state fully penetrated by business interests. Marxist accounts point to state capture by dominant proprietary groups and modernization accounts point along the lines of Myrdal’s ‘soft state,’ a state that fails to impose its institutional rationality over traditional social or individual loyalties.
* The Indian Nehruvian state saw itself as a developmental state and vested enormous faith in the central state, emphasizing state-led growth over equity-promotion.
* In contrast to East Asia, India micro-managed the economy through both indicative planning and tight regulation of product markets. State-dominated sectors and the state-protected private monopolies suffered from low levels of productivity and innovation.
* India’s current growth trajectory began in the 1980s and has been maintained at an impressive rate over the past quarter-century. But the take-off of the much-celebrated Indian tiger has not been as deep, as dynamic or an inclusive as in East Asia, and much of this can be attributed to failures of the state.
* It also relatively neglected social development in more recent developmental strategy. Shortfalls in public investment continue to be a drag on the Indian economy.
* These are failure of the Indian state. Its autonomy and embeddedness could not be balanced.
* In the East Asian context embedded autonomy has been secured through a unique combination of organizational culture and state–society relations that favoured an inclusive nationalism. The Indian case is marked by two clear differences. In contrast to the modal East Asian pattern, state formation in India has been less continuous, passing through multiple institutional and territorial configurations.
* Independent India inherited a mosaic of sovereignties (the 565 princely states) and a myriad of regimes of indirect government bequeathed by layers of Hindu and Moghul empires and multiple British regimes of colonialism. Second, India is the only continuous post-World War democracy in Asia. Stateness and the political mode of decision-making are of course the key meta-institutional conditions that shape development. The causal lines are, however, complicated.
* The assumption that democracy unleashes redistributive demands that undermine growth is clearly fals, at least in the Indian case as six decades of democracy have not produced a welfare state, or any progressive measures.
* It can deliver on macro-economic policy and some mega projects, but it cannot get teachers to teach, nurses to show up, municipalities to make their budgets transparent, or create the kind of stable local institutional environment in which private actors can thrive. This reflects the Indian state’s lack of embeddedness.

Lessons from the Asian states:

* Capable, coherent state bureaucracies are a valuable social asset worth protecting and nurturing. In NE Asia, the original states have continued to perform well and move from authoritarian politics to competitive democratic politics.
* China, Vietnam, and Singapore extend this to East and SE Asia. Though the range of political configurations that connect these states and their societies cannot be summarized.
* Asian states also contradict the conventional wisdom that authoritarian states somehow produce ‘modernizing’ economic results that lead to democratic accountability.
* The Indian case reinforces the importance of nurturing a coherent Weberian bureaucracy. It is also another illustration of the complexities of embeddedness.
* Indian state’s embeddedness has been compromised as the efficacy of the state remains constrained at the local level and the fragmented nature of representation in the Indian polity has favored business over more encompassing interest, weaking its autonomy.
* It also forces introspection by demonstrating that ‘premature’ democracy was not an impediment to development but was essential to the project of nation-building.

**Week 5 Erin Metz - “Patchwork Leviathan”**

. Non-western countries: emerging consensus that states fail not because they have too much bureaucracy, but because they have too little

. Max Weber’s concept of the ‘bureaucratic ethos’: “characteristic tendencies to perceive, think, decide, and act in ways driven by an orientation to achieving the organization’s goals”, i.e. similar to but distinct from bureaucratic cohesion. Includes impersonal administration, commitment to the purposes of the o!ce, and achieving the organization’s goals. Profound transformation of social attachments, people identify with their job as “a focus of ethical commitment and duty” that transcends other social commitments (i.e. those of neopatrimonialism). Oriented to achieving goals on behalf of abstract collectives—the organization, “state,” or “the people. Bureaucratic ethos is conceptually distinct from related organizational outcomes such as effectiveness (accomplishing goals) or efficiency (accomplishing goals while conserving resources expended).

. Neopatrimonialism: situations where patrimonial practices and orientations suffuse legal-rational institutions. Umbrella term that covers clientelism, patronage and corruption.\*

. Many seemingly weak state “leviathans” are “patchworked”: a wide range of internal variation in organizational capacities sewn loosely together into the semblance of unity. Amid general organizational weakness and neopatrimonial politics, there are a few spectacularly effective state agencies (bureaucratic niches)

. These niches have managed to cultivate impersonal, effective, organizationally oriented administration in contexts where the bureaucratic ethos is most needed and most elusive.

. Current scholarship on states and development agrees broadly on two things:

1. state organizational capacity in low-income countries is essential to the success of many other developmental efforts
2. Little idea how to engender/bring about state organizational capacity

. “Patchwork leviathans” show us why capturing the capacity of the administrative state through a single feature of the state alone is so flawed.

. Distinctively effective niches within the state, where the bureaucratic ethos flourishes, may be uncommon and often overlooked, but they are not idiosyncratic. Such patchworking is the hallmark structure of states in the midrange of capacity between the extremes of failed or strong states.

. Interstitial structural position: social niches entangled within a larger institutional field. These interstitial niches are effectively bureaucratic subscultures.

. Niches are built by clustered distinctiveness (drawing together particular types of people who are otherwise rare in the larger environment): Where the human, cognitive, and material resources of doing bureaucracy are rare, it matters critically how they are distributed. **Strong symbolic boundaries: (“us” vs. “them” mentality) leads to ‘cultivation’ (niche insiders conform to and identify with the culture of their unique work group)**. Thus they identify with impersonal and effective organizational practices that contrast sharply with the ineffectual or corrupt practices of the larger environment. Produces a shared sense of distinctiveness.

. Lived experience reinforced within the close-knit interpersonal environment of the interstitial niche enables the establishment of distinctive strategies for action that are alternatives to familiar neopatrimonial practices. However, such distinctiveness vis-à-vis the environment also comes at a cost: Because niches operate under different “rules of the game” from the prevailing neopatrimonial environment, niches expend great e"ort to protect themselves from interruptions (both incidental and intentional) that can disrupt their ability to complete organizational goals.

. Thus ‘clustering’ distinctiveness through recruitment, cultivation, and protection - bureaucratic ethos is consolidated and thrives.

. However, how does that distinctiveness emerge? Two factors:

1. Shelter from neopatrimonialism. Requires filtering out the influence of patronage politics, reducing the importance of networks on hiring decisions that leave employees more beholden to their patron than to their position.
2. Minimum critical mass of proto-bureaucratic distinctiveness. Requires active selection rather than sorting.

. ‘Dual habitus’: lived experience in the local environment and in the habits and practices of formal bureaucracy.

. Organizations that became effective niches of the bureaucratic ethos began with founding clustered cadres, small and tightly knit corps of senior staff with strong proto-bureaucratic dual habitus. They possessed dual habitus and had certain characteristics (such as a distinctive educational profile) and are “interstitial insiders”. Thus, these niches have succeeded where Western reformers failed

. Dominant explanation for why some state administrative reforms succeed has focused on “executive will”: top-down reform instigated by the head of state. Such accounts tend to overestimate executive will, treating it either tacitly or explicitly as both necessary and su!cient for administrative reform. However, the comparative analysis in the book clarifies that presidential sponsorship is only one of several means to foster a highly effective state niche, and indeed, a means with some distinctive drawbacks for long-term durability. Executive will is neither necessary nor sufficient as an explanation for why some agencies succeed against the odds.

. Two other potential alternative explanations each see the organizational function as the primary determinant of organizational integrity and effectiveness, though for different reasons.

* Corruption theories, but converse is not true
* Others might expect the most effective and efficient state administrative functions would be those—like central banks and ministries of &nance—that are more connected to the global economy and cosmopolitan institutions. However, does not accord well with observed patterns

. Ultimately, all function-based accounts for why some agencies succeed while others fail suffer the same critical flaw: the most effective and trusted ministries vary widely from one nation to the next. %is does not mean that the organizational task is irrelevant; organizational function may still confer some proportional e"ects that could be more or less conducive to clustering distinctiveness, but this is clearly not an outcome that can be explained exclusively by organizational function

. Function-based accounts alone also cannot account for the timing of changes in e"ectiveness within agencies

. Exposure to global forces and capitalist interests may be one pathway to greater organizational e"ectiveness, but empirical patterns suggest it is neither necessary nor su!cient. Exposure to global forces and capitalist interests may be one pathway to greater organizational e"ectiveness, but empirical patterns suggest it is neither necessary nor su!cient

. Another potential alternative explanation for why some agencies succeed claims that state organizations’ ability to make independent decisions in the interest of a broad public depends on the group affliations of personnel, particularly whether officials remain strongly identified with social groups of origin. However, no clear pattern differentiating sta" demographics within high-performing Ghanaian niches from those elsewhere within the Ghanaian state.

. Importantly, the influence of group affiliations depends not only on the strength of attachments to outside social groups, but also on the weakness of attachments to the working group. If organizations are weak or lack a distinctive identity, they may be unable to counterbalance external social identity attachments. Conversely, professions and working groups with strong organizational identity and significant esprit de corps can socialize newcomers, reorienting officials to incorporate work as a significant identity. significant esprit de corps is itself an accomplishment of organizational cultural work and one of the characteristic, distinguishing features of interstitial niches.

. Crucial question the book tackles: the origins of organizational orientation as one of the great unresolved questions of state-building.

. Bureaucratic niche’s organizational responses to external environmental challenges: internal coping mechanisms (modify processes and practices within their work group to mitigate vulnerabilities to outside interference) and external projects of reshaping.

**Week 6 – Amsden (Industrializing through learning)**

Amsden:

* Amsden talks about Korean development model and how the country came to be a major factor in the world economy.
* The process it followed is referred to as late industrialization. The Korean success story is an example of a new way of industrializion that challenges long-held assumptions of generations of economic thinkers.

Learning:

* The first and second industrial revolutions in Germany and the United States happened through generation of new products and processes – invention and innovation. By contrast, the countries that industrialized in twentieth century transformed their productive structures using borrowed technology from developed countries – a process known as learning.
* In England, industrialization happened through invention, in Germany and the US through innovation, and in the “backward” countries through learning.
* Conventional explanation for Korea, Japan, and Taiwan’s rapid growth is that they follow free-market principle. That is however not the case. Key prices do not reflect true scarcities and the government intervenes heavily in the markets.
* Learning is not unique to the 20th century. Global industrialization has always had leaders and laggards – the latter involved in some form of learning. The US in the nineteenth century has been described as both a borrower and an initiator.
* However, industrialization whose central tendency among leading firms is learning rather than invention or innovation is distinct to the twentieth century.
* Different modes of competing are associated with differences in firms’ strategic focus.
* The corporate office, inclusive of R&D functions, tends to be the strategic focus of companies that compete based on innovation because those places are where the profit-making opportunities that drive the entire company are created.
* The shopfloor – where the most production work is carried out – tends to be the strategic focus of firms that compete based on borrowed technology because that is where the borrowed technology is first made operational and later optimized.
* Since the 1960s, learners have moved rapidly into the markets developed and matured by innovators. They are starting to challenge the innovators through lower wages, higher subsidies, as well as intense efforts to raise productivity incrementally.
* The first industrial revolution was categorized by discoveries occurred primarily by observation, trial, and error and moved the world towards a transparent understanding of how mechanical devices worked. The second industrial revolution, however, marked an era where technological change began to occur on the basis of theory and experimentation.
* Advancement of science had a profound impact on the industrializing countries. It commodified technology, improved the means of transportation and technical assistance, and made many skilled craftworkers obsolete.
* On the other hand, it also created a far wider gap in income levels and technological capabilities.

Korea as a special case of late industrialization

* States intervene with subsidies to distort relative prices to stimulate economic activity. In countries like Korea and Taiwan however, the state exercises discipline over subsidy recipients like performance standards.
* Modern industrial enterprise, a type of enterprise that Chandler described as large in scale, multidivisional in scope, and administered by hierarchies of salaried managers, is what spearheads the industrial process in the late industrializing countries. In Korea, such enterprises are called chaebol.
* Salaried engineers are a key figure in late industrialization because they are the gatekeepers of foreign technology transfers. They have performed especially well in Korea because society invested heavily in education.
* The tendency to focus on shopfloor may be stronger depending on the country. In Korea, there are three outstanding points:
* First, Korean firms prefer hiring engineers over administrators. Second, even as managerial capitalism in Korea has spread, overhead has been kept in check. The ratio of white collar workers to blue collar workers remained constant between 1960 and 1980. Third, the number of layers of management has been kept quite small in Korea.

The state:

* In “backward” countries, industrialization mostly occurred at the initiative of a strengthened state authority.
* IMPORTANT CONTENT AHEAD (IMO):
* The reasons why some countries in the twentieth century are behind others in income and wealth can be grouped into four categories:
* First is natural resource endowment, which can be dismissed out of hand as the relation b/w resource endowment and per capita income is visibly weak, Korea and Japan being cases in point.
* Second is overpopulation, which is similar to natural resource argument in that it has been debunked. Overpopulation is a consequence of underdevelopment, not a cause.
* This leaves us with two major contending views: the market and the institutional. The market explanation has been the dominant explanation for the past two hundred years.
* No one can deny the role of market in speeding growth; however, one must distinguish between the market and the market mechanism. The former refers to the means to satisfy the supply and demand. The latter is a set of rules for allocating resources. Defiance of the market mechanism does not explain why late industrializers delayed so long in starting to expand nor can adherence to them explain why they eventually succeeded in growing.
* However, economic histories of the backward countries quite vary. Late industrializers were typically a former colony. Their growth could not be stunted by not following market mechanism because their comparative disadvantage to their colonial powers was bleeding them dry. It was due to a lack of interventionist policies.
* That takes us to the final explanation, one related to institutions like the state. Industrialization was late in coming to backward countries because they had weak institutions and could not inaugurate economic development and had to protect their countries from foreign aggression. Their weakness also arose from internal social conflict.
* States in modern period have always intervened to spur economic activity. Even the First industrial revolution, whose guiding principle was supposedly laissez-faire, is now being reassessed by historians with this axiom in view. In second industrial revolution, state intervention intensified because Germany and the US not only had to industrialize but also catch up. Infant industry protection was its primary characteristic.
* Twentieth century catching up has required even heavier intervention. Infant industry protection, tariffs, and incentives that boil down to subsidies.
* Gerschenkron pointed out that backward countries are fortunate to have a backlog of technologies to draw upon. Yet he failed to give equal weight to the proposition that backward countries have harsher ‘justice’ meted out by market forces. Low interest rate and high interest rate; undervalued and overvalued exchange rates; industry protection and free trade etc.
* Under these conditions, the state’s role is to mediate market forces. It protects the interest of everyone by creating multiple prices.
* Korea was no different: Discipline by the state over private enterprise and heavy intervention was part and parcel of the vision that drove the state to industrialize.
* Discipline is bi-faceted: penalizing poor performers and rewarding only good ones.
* For the first one, in Korea, markets weakened by over-expanding firms have been subject to rationalization and breaking down of the dominant firms. Also, government refused to bail out large-scale and badly managed firms even though that process has been highly politicized.
* Another, and perhaps more important, aspect of disciplining is that the good performers are rewarded. This has also been politicized such that the government’s friends have been rewarded with incentives in favor of expansion and most of them have been bailed out previously.
* In Korea, export targets have been the strictest form of discipline by the Government on virtually all large firms.
* Korean firms have been subject to five general controls in exchange for government support:
* First, the government has owned and controlled all commercial banks. Even after a push in the 1980s to liberalize the banking sector, government maintained its control over commercial banking. This has helped the government in luring the chaebol toward accumulating capital and has prevented rent-seeking.
* Second, government has protected the firms from competition by limiting the number it has allowed to enter a market. This lead to rise of mammoth business groups that the government saw as necessary to build basic industry.
* Third, govt has imposed discipline on “market-dominating enterprises” through yearly negotiated price controls in the name of curbing monopoly power. By 1986, as many as 110 commodities were controlled.
* Fourth, investors have been subject to controls on capital flight or remittance of liquid capital overseas. Legislation punishes any illegal overseas transfer of >$1M or more with ten years’ imprisonment minimum to a death sentence. The enforcement of law is in question; nonetheless, it is believed to have been a credible deterrent to private investors who might otherwise have used public money to build fortunes abroad.
* Fifth, the middle class has been taxed and the lower classes have received almost nothing in the way of social services. This has enabled a persistent deficit in the government account to reflect long-term investments.

The process of catching up:

* Previous literature saw abundant labor as a deterrent to development. However, in the late twentieth century, many countries have risen up the ladder due to their low labor costs.
* Cotton textiles were the major exports of Korea.. However,, those firms did not become the agents off further industrialization. They did not serve as the building blocks for the econnomy’s more skill and capital intensive pursuits.
* The diversified business group tended to penetrate new industries, not the specialized single-product firm.

**Week 7 – Portes and Roberts**

**American Urbanization in Latin America Neoliberal something idk**

A comparative study of the character and evolution of Latin American cities during the last decades of the twentieth century.

Central hypothesis: significant changes have taken place in the urban system and in the character of urban life during this period due to the transformation in the dominant model of economic development from import-substitution industrialization to neo-liberal open markets adjustment. These transformations reflect the ways in which economic globalization has affected the region

ISI coupled with tariff barriers bore fruits in its early years in terms of economic growth and employment creation

But then MNCs jumped those tariff barriers and dominated the domestic markets. Industrialization was also capital-intensive following the pattern of the MNCs which reduced employment creation and pressurized the balance of payments

This model gave way to one based on open markets, the privatization of state enterprises, and the reduction of the state's directive role in the economy. Implemented under the influence and with the strong guidance of global institutions, such as the World Bank and IMF, the new model has had momentous effects on the societies, political systems, and class structures of the region This paper is examining the transformations in urban systems and urban life and the extent to which they reflect open-market policies

ISI and the cities:

Important to understand the early development of Latin American cities.

During the mid-twentieth century, import substitution industrialization (ISI) policies in most of Latin America had a direct bearing on the character of cities in the region

Central features:

* A rapid process of urbanization, concentrated in one or two cities per country, where import-substitution industries clustered.
* Within major cities, labor demand by ISI industries led to the emergence of a modern, legally protected industrial working class along with a middle class employed in government service and private industries.
* The imbalance between limited labor demand by capital-intensive ISI industries and rapid migration led to the emergence of an informal working class
* The exponential increase in population in large cities led to a hike in housing prices which was unaffordable for both formal and informal workers. Residence in squatters and unregulated settlements in the cities’ periphery by the working class.
* Elites and middle classes abandoned the city center, relocating to increasingly remote suburban areas, away from those occupied by the poor. Social heterogeneity in elite and middle-class areas despite spatial polarization
* Sustained economic growth during the ISI period led to multiple articulations between the formal and informal sectors of the urban economy and to a slow but sustained upward mobility by the migrant poor
* Popular social movements aimed at accelerating this process of upward mobility and focused on the gradual improvement of work and living conditions for the urban poor within the existing capitalist system.
* Despite multiple tensions and frequent protests, urban society during the 1SI period was fundamentally "orderly," with different social classes occupying known and accepted places in the urban hierarchy and with credible expectations of gradual upward mobility by formal and informal workers alike. Violence and crime were rare except for confined lumpen areas.

The consistent patterns of urban life across Latin America were expected to persist but were shaken by deep economic crises followed by an altered insertion of the region in the global economy during the last decades of the twentieth century.

The End of ISI and the Arrival of the Markets

the principal features of the new model of development and its likely effects on urban systems and urban life

the principal features of the new free-market model that replaced ISI may be summarized in seven key programmatic thrusts:

* Unilateral opening to foreign trade.
* Extensive privatization of state enterprises.
* Deregulation of goods, services, and labor markets.
* Liberalization of the capital markets, with privatization of pension funds.
* Fiscal adjustment based on drastic reduction of public expenditure.
* Restructuring of state-supported social programs, focusing on compensatory schemes for the neediest groups.
* The end of"industrial policy" and any other form of state-sponsored enterprise and concentration on macro-economic management.

The discrepancies between the process of urbanization, as described previously, and the implications of the new model of development.

1. explicit predictions derived from the orthodox economic theory that inspired this model
2. alternative ones derived from a sociological perspective grounded in recent empirical evidence

four areas to be examined empirically in this article:

1. Urban systems and primacy
2. Urban unemployment and informal employment
3. Urban inequality and poverty
4. Urban crime and victimization

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The Study

a comparative study of six Latin American nations that jointly comprise over 80 percent of the region's population to see if these alternative perspectives are legit

methodological framework: analysis of census data and existing surveys, along with fieldwork in selected urban settlements deemed as emblematic of patterns of popular mobilization and demand making.

Progress seminars conducted during the course of the project brought together the six national teams with the principal investigators to sharpen the focus of the study and increase comparability among country reports.

Overall, reports produced for each country contain the most up-to-date information on contemporary patterns of urbanization and their relationship to recent economic policies.

Urban Systems and Urban Primacy

First, the continuing growth of the urban population that now comprises, in some countries, 90 percent of the total; second, within this urban context, the gradual decline in the relative size of the primate city or, in the case of Brazil, cities (Rio de Janeiro and Silo Paulo).

The trend is apparent in various indicators, including percent of the urban population concentrated in primate cities, the index of urban primacy (the ratio of the size of the main metropolitan area to the sum of the next three), and the evolution of urban and metropolitan growth rates

Everywhere the growth of primate cities slows, and their relative dominance over the national urban system, although still overwhelming, tends to decline.

the distance between the primate city (or cities, in the case of Brazil) and the next-largest city has been reduced, beginning to approximate the straight rank-size rule of more mature urban systems.

Reasons for decreased urban population concentration in primate cities:

* Less economic appeal for internal migrants
* Fertility rates in these metropolitan areas are lower than those in smaller cities
* End of the ISI era and the formal protected proletariat it accompanied
* Migration flows rechanneled because of relocation of industry and services to the periphery of the large metropolises
* Emergence of new growth poles associated with export agriculture, export industries, or new tourist ventures in secondary cities.

Examples of this are Mexico, Chile, and Brazil. In every instance, such growth is attributable to the re-channeling of migration flows in response to new industrial and export-linked investments in cities scattered throughout the national territory.

Peru is an exception because of the civil war during the last 2 decades of the 20th century. No incentive for entrepreneurial investments due to widespread violence.

Three facts to support that this is a result of the free markets economic model, based on findings from this and previous studies:

* The close temporal association between the onset of the new macro-economic model and the transformation of urban systems, in most cases.
* In countries where the new model was not applied or feebly applied, primacy levels remained unaltered.
* In countries where the model led to new investments concentrated in or near the major cities, primacy levels rose and new "mega-cities" started to emerge.

The Evolution of Labor Markets

Rates of open unemployment and informal employment either remained stagnant or increased significantly, contrary to the neoliberal perspective that new capital investments would stimulate labor markets and decrease unemployment/underemployment.

There was significant variation between countries, but the only visible signs of labor-market improvement are in Chile.

Argentina experienced the most stringent enactment of neoliberal policies which led to the following:

* a significant deterioration in work conditions
* formal working class declined
* informal proletariat increased substantially and reached 44% of total labor force in 2001
* Index of labore vulnerability went from one-third to one-half

Less stringently applied policies in Uruguay but similar trends were observed with also an index of labor vulnerability of half of its labor force in 2001. there were large declines in the proportion of workers employed in formal industry and in the public sector and a rise in open unemployment and self-employment.

Chile is the only success story. Open unemployment decreased but through the neoliberal principle of "labor flexibilization" which created more jobs but at the expense of social-security protection of the employees.

Informal employment increased in Peru with rise in unemployment. Same with Brazil.

Mexico had employment opportunities due to its export-platform industries but most of them were informal and economic growth did not increase formal employment.

Overall, labor indicators either remained stagnant or declined.

Poverty and Inequality

* Rising unemployment and informalization has been accompanied, in several countries, by steady or rising economic inequality.
* Rich became richer and poor became poorer as free markets are inherently machines for the creation and reproduction of inequality
* Latin America is one of the most unequal regions in the world and this exacerbated during the decade of neoliberal implementation
* High increase in poverty and inequality in Argentina.
* Less drastic in Uruguay
* Chile is the country that registered the best results in terms of a sustained reduction of poverty. Higher incomes due to economic growth but not fairer distribution of the economic pie. High Gini coefficient.
* Peru saw relative stagnation in Gini coefficient, but poverty percentage increased a little. Rich became richer.
* Brazil and Mexico also saw consolidation of the economic position of the dominant classes, a stagnation in the average incomes of informal workers, and, consequently, a rise in economic inequality.
* Overall, uniform increase in inequality but not in poverty (it reduced in some cases). free markets did create wealth in some countries, but it was appropriated very unevenly. while in others, free markets did not even produce growth, leading to both rising inequality and widespread poverty.

Crime and Victimization

* Open Markets lead to an increased exposure of the elite to First World goods and lifestyles, prompting subordinate classes to take matters into their own hands and redress relative or absolute deprivation.
* The evidence from the six countries under study points toward significant rises in crime, victimization, and citizen insecurity during the last decade.
* Crimes often not reported due to inefficacy of Police.
* For countries with available crime statistics, the evidence points to a significant rise in national and urban delinquency, in particular property crime (Chile).
* Persistently high economic inequality in a context of increasing wealth and modern consumption by the upper and middle classes may explain Chile’s case.
* All other countries also experienced increase in crime rates and urban insecurity.
* These are mostly property crimes, following the idea of ‘forced entrepreneurialism that when the system marginalizes these people, they resort to deviant and unconventional means to address their deprivation.
* Most perpetrators are young, unemployed males who are not students.
* Property crimes are not just carried out by the poor against the poor, they are carried out in urban city centers because their hustle and bustle provide camouflage and most commonly in middle-class residential areas because they do not have extravagant means to spend on security like the elite classes. Sometimes these property crimes also evade the elite classes.
* Causality between neoliberal policies and increased crime rates cannot be established but is likely.
* Neoliberalism preached self-reliance to all, while leaving most vulnerable sectors to their own devices. From a sociological standpoint, the reaction of some of their members in the form of unorthodox means to escape absolute and relative deprivation is predictable.

Summary and Conclusion

* Something significant has indeed changed in Latin American cities and in the character of urban life from 1980-2000 and as a result of a shift towards neoliberal free markets.
* Traditional urban primacy has declined almost everywhere, giving rise to the rapid growth of secondary centers and to more complex urban systems whose future evolution remains uncertain.
* Urban labor markets have also been heavily affected by the decline in formal industrial employment provoked by the demise of old ISI industries and the contraction of public employment. These losses were, in most cases, not compensated by the expected trickle down of capital investments in privatized and new export industries. The result was a significant rise in open unemployment in some countries; a stagnation or rise in informal employment in others; and both trends simultaneously in those worst affected by the crisis.
* Poverty did not increase everywhere. The trend common to all countries was the persistence of or rise in levels of inequality prompted by the appropriation of larger income shares by the dominant classes, and the stagnation or at least lower growth in the slice of the economic pie going to the working classes.
* The sustained rises in delinquency and, especially, robbery and theft in all countries and all major cities represent the counterpart to the deterioration of labormarket opportunities and sustained high levels of inequality.
* Coinciding with the start of a new century, a number of countries have begun to pull back from economic orthodoxy, seeking a more humane and less socially destructive path to national development.
* The governments of post-neoliberal Latin America have not abandoned the markets, but are searching for ways of giving the state a more active role in both the promotion of viable national enterprises and the protection of the most vulnerable sectors of the population.
* Neoliberal policies and their successes have come at such social costs that governments and societies alike appear unwilling to continue tolerating them.

**Week 9 – Degrowth**

Hickel:

The Case for Degrowth

Hickel defines “degrowth” as “a planned reduction of energy and resource use designed to bring the economy back into balance with the living world in a way that reduces inequality and improves human well-being” (“What does degrowth mean?”). This idea is as complex as it sounds, but is presented as one of the, if not the, only cures to the impending climate disaster. However, critics of degrowth take issue with it for numerous reasons, ranging from its geopolitical practicality to its affordability relative to other alternatives. This essay will argue that degrowth is a persuasive idea consistent with the available empirical evidence and will also try to address some of its critics’ concerns.

Firstly, the call to cut down consumption and give up on growth is warranted by the urgency of the climate crisis. Five of the planetary boundaries set by scientists that are essential to observe to maintain the planetary biosphere have been overshot, i.e., climate change, biodiversity loss, nitrogen loading, phosphorous loading, and land-system change. Two others are two-thirds of the way toward the boundary, and only one—ozone depletion—has been brought under control. This is a disastrous situation that calls for immediate action. Moreover, as noted by a team of researchers led by Daniel O’Neill at the University of Leeds, if we continue our current consumption patterns towards the goal of meeting every human being’s basic needs, we would be “transgressing multiple environmental limits” (Hickel, “Is It Possible” 20). They further add that for all people to lead a good life without destroying the environment, we need a fundamental restructuring of our provisioning systems such that “basic needs are met at a much lower level of resource use” (Hickel, “Is it possible” 20). The onus of degrowth should be placed upon first world nations as they are responsible for 92 percent of the emissions exceeding planetary boundaries. All of this is exactly what degrowth advocates for: rethinking and restructuring the global economy beyond growth and focusing on sustainability and redistribution. Evidence shows that it is possible to achieve a good life for everyone while also maintaining planetary boundaries. According to data collected by O’Neill et al., Costa Rica, Cuba, and Moldova have managed to improve environmental sustainability without compromising on citizens’ quality of life, measured via healthcare quality, life expectancy, education, sanitation etc. (Hickel, “Is It Possible” 21-22), and there is more room for improvement. Reductions in economic growth can be compensated by distributing resources more equitably such that the aforementioned social indicators can be achieved without any additional biophysical pressure (Hickel, “Is It Possible” 24).

Moreover, degrowth ideas are also consistent with anticolonial principles. As Hickel argues, growth under capitalism is “intrinsically colonial in nature” as it relies on expropriation of resources—labor and nature—from the colonial or neocolonial frontiers by the rich countries. Underlying this are also racist discourses that are leveraged to “cheapen the lives of others for the sake of growth” (Hickel, “The Anti-Colonial Politics” 2) and this extraction of resources for the sake of growth in the North immensely adds to the pollution in the Global South. We also know that climate change disproportionately affects the Global South countries even though the North is responsible for most of the destruction. Thus, it only seems fair that these colonizer countries now reduce their excess consumption that is destroying lives and habitats in the poor countries and give them more room to grow.

Critics take issue with degrowth by arguing that it focuses too much on “local autonomy and struggle” and that we need a transnational, global ecosocialist movement if we are to tackle the climate crisis (Schwartzman 123). They further say that there are not enough resources in the world to redistribute in the first place and we need to grow more. However, proponents of degrowth recognize the need for a global redistribution of resources. As noted by Hickel in his blog post titled “Degrowth,” the world suffers not from poverty but from unequal distribution of otherwise sufficient resources. The average GDP per capita of the world is $17,600, which “is roughly consistent with the World Bank’s threshold for ‘high-income’”. Nations can succeed on all social indicators with as little as $10,000 per capita, according to the UNDP (Hickel, “Degrowth”). Moreover, it is instead proponents of “green growth” that are too North-centric. The “Green New Deal” is often criticized for failing to challenge the exploitation of Global South workers for “eco-friendly” materials and cheap labor (Kolinjivadi and Kothari) and sidestepping their issues when they should be centered to any conversation on climate change. Degrowth, on the other hand, relies on anticolonial principles to argue against this expropriation.

Therefore, it becomes clear that degrowth ideas are persuasive as they hold up against empirical evidence and decolonial principles. They are the need of the hour as humanity is faced with climate destruction that increasingly threatens to disrupt, and perhaps destroy, human life as we know it.

**Week 9 – Schwartzman**

* The degrowth program is highly problematic because of its failure to analyze the qualitative aspects of economic growth and its emphasis on the local economy without recognizing the urgency to address global anthropogenic change from a transnational political perspective.
* There are limits to growth but the degrowth argument is not persuasive. It fails to come to terms with qualitative versus quantitative aspects of economic growth. What growth is sustainable in the context of biodiversity preservation and what is not?
* Cities are getting more energy efficient with urbanization rapidly increasing. Aggressive energy conversion in buildings and transportation could lead to very significant reductions in carbon emissions.
* Surely enough, GDP is a flawed metric of unsustainable growth.
* The call should be: Degrow the Military Industrial Complex, grow the green economy!

How much energy do we really need?

* 1.5x the present capacity of 16TW is required for a high HDI to meet the 3.5kW energy requirements of everyone. While U.S. and several other countries do need to reduce their energy consumption, most of the global South suffer from energy poverty and needs growth.
* A shift to wind and solar energy could reduce the required power level by 30%. It would also increase the quality of life for the same level of present energy consumption by reducing the negative externalities of fossil fuels.
* Nevertheless, degrowth should not be dismissed as a useless response to the unsustainable reproduction of capital. The arguments that address economic activities that increase consumption of fossil fuels should be taken seriously.
* However, not all big projects should be opposed. Infrastructure must be repaired and replaced.

Degrowth, North and South

* The degrowth program puts much emphasis on local autonomy and struggle, but simply acting on a local or even a national level is not sufficient. There is growing urgency for a transnational eco-socialist movement.
* There are two main threats to biodiversity as we know it: A nuclear war and climate change. The huge challenge of ending both these threats is also an unprecedented opportunity for terminating the rule of capital on the planet. Effective C3 prevention must be a revolution in both the physical and political economies. One of its main targets will be the MIC.

**Week 10 – Tooze (Finance)**

**Tooze 1:**

. Events of 2003, 2008 and 2017 are no doubt defining moments of recent international history. But what is the relationship among them? What arc of historical transition do those three points stake out? Contention of this book is that the speakers at the UN in September 2008 were right. The financial crisis and the economic, political and geopolitical responses to that crisis are essential to understanding the changing face of the world today. But to understand their significance we have to do two things: place the banking crisis in its wider political and geopolitical context, and at the same time, get inside its inner workings. Grapple with the economics of the financial system.

. The simple idea that was so prevalent in 2008 that this was basically an American crisis, or even an Anglo-Saxon crisis, and as such a key moment in the demise of American unipolar power, is in fact deeply misleading. Idea of “all-American crisis” obscures the reality of profound interconnection. The crisis was not merely American but global and, above all, North Atlantic in its genesis. Clarifying the scale of this interdependence and the ultimate dependence of the global financial system on the dollar is important not just for getting history right but also because it throws new light on the perilous situation created by the Trump administration’s declaration of independence from an interconnected and multipolar world.

. Redescription of the crisis as one internal to the Eurozone and centred on the politics of public debt was itself an act of politics. In the years after 2010, it would become the object of something akin to a transatlantic culture war in economic policy, a minefield that any history of the epoch must carefully navigate.

. If we are to grasp the dynamics of this unforecasted storm, we have to move beyond the familiar frame of macroeconomics we inherited from the twentieth century (Keynesian perspective on international economics organized around nation-states, national productive systems and trade balances). Keynesian economics is indispensable for grasping dynamics of collapsing trade and development, surge in unemployment etc. But when it comes to analyzing onset of financial crisis in an age of deep globalization, standard macroeconomics approach has limits.

. In discussions of international trade it is now commonly accepted that it is no longer national economies that matter. What drives global trade are not the relationships between national economies but multinational corporations driving far-flung “value chains”. Same is true for the global business of money.

. Need to understand the global economy not in terms of an “island model” of international economic international - national economy to national economy - but through the ”interlocking matrix” of corporate balance sheets - bank to bank. As both the global financial crisis of 2007-9 and the crisis in the eurozone after 20119 would demonstrate, gov deficits and current account imbalances are poor predictors of the force and speed with which modern financial crises can strike. This can be grasped only if we focus on the shocking adjustments that can take place within interlocking matrix of financial accounts.

. Major economics experienced implosion in interbank credit. As long as financial sector was modestly proportioned, big national currency reserves could see you through (this is what saved Russia). But South Korea struggled and in Europe not only were there no reserves but the scale of the banks and their dollar-denominated business made any attempt at autarkic self-stabilization unthinkable. None of the leading central banks had gauged the risk ahead of time nor did they foree how globalized finance might be interconnected with the American mortgage boom.

. Response of the US Federal Reserve and other central banks (spectacular massive intervention, liquidity provider of last resort) not only because of its scale but also because it contradicted the conventional narrative of economic history since the 1970s. Decades prior to the crisis had been dominated by the idea of a “market revolution” and the rollback of state interventionism. “Independent central banks” job was to ensure discipline, regularity and predictability. Politics and discretionary action were enemies of good governance. In fact, neoliberalism’s regime of restraint and discipline operated under a proviso. In the event of major financial crisis that threatened “systematic” interests, it turned out that we lived in age not of limited bit of big government, of massive executive action, or interventionism. Revealed truth that foundations of modern monetary system are irreducibility political.

. All commodities have politics but money and credit and the structure of finance poled on them are constituted by political power, social convention and law in a away that sneakers, smartphones and barrels of oil are not. Apex of modern monetary pyramid is fiat money (no “backing” other than its status as legal tender). Abandonment of unsustainable dollar gold peg by Nixon and end of metallic money unleashed forces of indiscipline which were tamed by the new neoliberal “logic of discipline”.

. Financial system does not, in fact, consist of “national monetary flows.” Nor is it made up of a mass of tiny, antonymous, microscopic firms - the ideal of “perfect competition” and the economic analogue to the individual citizen. The overwhelming majority of private credit creation is done by a tight-knit corporate oligarchy (i.e. hundred big financial firms at the global level that matter).

. Stark truth is that central banks’ “historic” policy of global liquidity support was that it involved handing trillions of dollars in loans to that coteries of banks, their shareholders and their outrageously remunerated senior staff. To compound the embarrassment, though the Fed is a national central bank, at least half  the liquidity support it provided went to banks not headquartered in the United States, but located overwhelmingly in Europe. Just as much a deep crisis of modern politics as it was of macroeconomics.

. Though it is hardly a secret that we inhabit a world dominated by business oligopolies, during the crisis and its aftermath this reality and its implications for the priorities of government stood nakedly exposed. Democratic politics on both sides of the Atlantic has choked on.

**Tooze 2**

. How could a country like China with a strong trade balance and huge reserves be sliding towards a currency crisis in 2015 (Yuan Panic of 2015)? Eerily reminiscent of 2008, when champion exporters like South Korea and Russia had found their banks in trouble and struggling desperately for dollar funding. Explanation was the same in 2015 as it was in 2008. Globalization operated through different channels at different levels. Visible trade channel on which countries like South Korea and China were so dominant only one, and not the most dominant, for channel a financial crisis. An economy with a strong trade surplus, ample foreign currency reserves and an appreciating currency might well have banks, corporations and private citizens accumulating debt in foreign currencies. Need for dollar funding became the common denominator of the South Korean, Russian and European banks. Made them acutely vulnerable to shift in interest rate differentials and or reversal in direction of exchange-rate movements. Wasn’t the balance of trade but their corporate balance sheets that made them vulnerable.

. Precisely this familiar quality of China’s development and its counterpart in America’s “twin deficits” that distracted Western analysts from the massive financial tensions building up in North Atlantic balance sheets.

. Actions taken in Beijing. Chinese regime had a formidable reputation for effective economic policy but in 3015 China’s initial response to the crisis was anything but reassuring. Fumbling efforts to stabilizing Shanghai stock market exposed muth of Beijing’s omnicompetence. QE with Chinese characters was not a success/ August 2016 liberalization of foreign exchange trading was misthandle. But Beijing held its nerve. Rather than allowing yuan to contitune its slide, PBoC stabilized new peg. Capital controls were stipend, but otherwise PBoC allowed unwinding of exposed dollar positions. Eventually at the lower level reserves stabilized. To revive demand in early 2016, Biking unleashed another credit boom and a fiscal stimulus, while at the same time purging most overexpanded heavy industrial sectors of overcapacity.Western media ordinarily known for advocacy of market freedom could not hide their relief that Beijing’s grip restored. 2016 thus demonstrated China was not autonomous

. Fed’s forbearance and acknowledgement of interdependence. Global markets. Risk of spillback from China too important to be ignored.

. Though crisis averted, stakes going up. Managing Sino-American financial relations matter of intergovernmental relations. By contrast, in 2015-16 not only were the risks on the Chinese side by the people moving the money were private businesses and investors. In less than ten years, China commercial and financial integration had come a long way. Daunting implications.

. Struggle to contain the crisis in three interlocking zones of deep private financial integration: transatlantic dollar-based financial system, eurozone and the post-Soviet sphere of Eastern Europe. Immense challenges. Implosion entangled both public and private finances in a doom loop. Bank failures forced scandalous government intervention to rescue private oligopolists. Fed acted across border to provide liquidity to banks in other countries. Crisis spilled over into question of international relations. And those questions were not post in a power-political vacuum but in a geopolitical force field.

. In its own terms, as a capitalist stabilization effort, response patch together by US Treasury and Fed remarkably successful Aim was to restore viability of banks. Not only did that but also provided massive liquidity and monetary stimulus to entire dollar-based financial system, Europe, emerging markets and beyond. However, inability of Democratic Party to capitalize that in political terms. TARP and bailouts became dirty words and Fed suffered loss of legitimacy. Overshadowed by memories of 2008, 2016 election delivered stark verdict. Possible American abdication of supporting basic institutions of globalization during Trump era.

. Faced with American abdication, failure of euro area to devise alternative. Failure of ECB, Germany and France to devise workable crisis-fighting strategy made the euro into a source of danger and instability for the world economy between 2010 and 2015. If it was saved, it was in large part due to outside pressure and assistance. Far from seeing  Eurp[e as a promising partner for global economic governance, Beijing and resto of G20 repeatedly left wondering what on earth the Europeans were up to.

. Fundamental reason for doubting possibility of truly deep cooperation with China in global economic governance: China economic triumph is a triumph for the Community Party (victory of the West in the cold war far from complete). China is not a subordinate part of the American global network

. Experience on the frontier of Western power in Eastern Europe hardly gives grounds for optimism about the ability of either rWashing or Europeans to conduct financial diplomacy in areas of real geopolitical tension

**Week 12 – Rodrik UwU (Financial Globalization)**

* Financial globalization promised to help entrepreneurs raise funds and reallocate risk to ‘more sophisticated investors better able to bear it.’ It vowed to help developing nations the most, since they are cash-strained, subject to many shocks, and less able to diversify. That was not how things turned out.
* The countries that performed better were the ones lending to rich nations, not receiving inflows from them. The countries relying on international finance tended to do poorly.
* Financial globalization was also behind the 2008 financial crisis. The housing bubble was instigated by the excess saving of Asian nations and petrostates. The crisis spread very easily from Wall Street to other financial centers around the world thanks to the interconnectedness of balance sheets brought on by financial globalization.
* Lack of government regulation, market inefficiencies, belief in self-regulation were all part of the narrative of the economists who believed in financial globalization at the time.
* Trade liberalization was also starting to become unconvincing. Under the WTO, negotiations between developing countries led by China and India and the developed world (the US, EU) wanted to open up the developing countries for trade through trade liberalization (removal of tariffs, less barriers to entry/exit etc).
* Developing countries concluded that there wasn’t enough for them on the table to open themselves up to trade. There were also concerns for exploitation by MNCs of the poor nations.
* However, it’s not only the poor nations that oppose globalization. Rich countries are no longer so happy with it either. In March 2008, only 25% Americans thought that globalization had been good for their country. The dismay has also begun to show up in an expanding list of mainstream economists who now question globalization’s supposedly unmitigated virtues.
* Today, the self-assuredness of globalization’s cheerleaders has been replaced by doubts, questions, and skepticism.

An Alternative Narrative

* The problem with economic globalization is that there is no global antitrust authority, regulator, safety net, or a global democracy. Global markets suffer from weak governance, and are therefore prone to instability, inefficiency, and weak popular legitimacy.
* ‘Give too much power to governments, and you have protectionism and autarky. Give too much freedom to markets, and you have an unstable world economy with little social and political support from those it is supposed to help.’
* The first three decades after 1945 were governed by the Bretton Woods compromise, a shallow multilateralism that permitted policy makers to focus on domestic social and employment needs while enabling global trade to flourish.
* The Bretton Woods monetary regime was unsustainable as the oil shocks of the 1970s hit. It was followed by a more ambitious agenda of economic liberalization – hyperglobalization. Trade agreements now extended beyond import restrictions and impinged on domestic policies, capital flight controls were removed, etc.
* The results were a series of disappointments. It promulgated instability rather than investment and growth and generated inequality. There were some successes in this period like China, but they chose to play the globalization game by the Bretton Woods rules not the new rules. They pursued mixed strategies with a heavy dose of state intervention.
* The ‘alternative narrative’ is based on two ideas:
  + First, markets and governments are complements, not substitutes.
  + Second, capitalism does not come with a unique model. Economic prosperity can be achieved through different combinations of institutional arrangements.
* This implies we cannot simultaneously pursue democracy, national determination, and economic globalization.
* Economic globalization and democracy are only possible with a global political community that is extremely accountable and democratic, nothing like the Western-hegemonic system we have right now.
* We need smart globalization, not maximum globalization. A thin layer of international rules that leaves substantial room for maneuver by national governments is a better globalization.
* Random tidbit: The East India Company was originally called “Governor and Company of Merchants of London Trading into the East Indies.”

Of Markets and States:

* Adam Smith’s *Wealth of Nations* was “a frontal attack on mercantilist thought and practice, which advocated a close alliance between the sovereign and commercial interests. They thought free trade should be confined to raw materials and industry reserved for domestic producers through high import tariffs.
* However, the mercantilists also believed in capitalist and in exports. It was based on the view that the state and commercial enterprise ought to serve the needs of each other. Economics was a tool of politics and vice versa. International trade had to be monopolized to exclude foreign power and reserve the benefits for the home country.
* Adam Smith, however, believed in markets free of state control. Economic liberals call for little to no protective barriers and competition rather than monopoly. They think that state-business collaboration is just another name for corruption.
* Smith’s vision for a state was restricted to national defense, protection of property rights, and administration of justice. He believed that mercantilism was a drag on the development of national economies and of global commerce.
* This dichotomy between markets and states – between trade and rule – is false and hides more than it reveals. Market exchange cannot exist without rules imposed from somewhere. Where there is globalization, there are rules. Who makes and imposes them and how—those are the only real questions.
* Markets don’t work best left to their own devices. They necessarily require non-market institutions to function, who supply the “rules of the game,” as Doug North put it, for the markets. Then there’s the question of whose interests these rules serve.
* In mercantilism, this job fell largely on private entities. When private companies could not longer perform these tasks, the crown had to intervene. East India Company’s abolition and replacement by direct colonial rule in 1858 servs as another example of this phenomenon.

Overcoming Transaction Costs

* For trade to take place, there must be a place of exchange, a modicum of peace and security for engaging int trade without risk to life and liberty, a common language, a medium of exchange (a currency), sufficient trust between the two parties, clear property, the contracts must be enforceable in a court of law, and protection against third parties trying to impede the exchange etc. We take these for accounted but they’re provided by institutional forces.
* The fear that such things could go wrong is what’s called the transaction costs and institutions – long-term relationships, belief systems, and third-party enforcement – are the social arrangements designed to reduce these costs.
* The more developed an economy, the greater the share of its resources consumed by the public sector. Governments are bigger not in the poor countries but in most advanced economies.
* This proves that markets are most developed and most effective in generating wealth when they are backed by solid governmental institutions. Markets and states are complements, not substitutes.

Trade and Governments

* Openness to international trade is a major contributor to the ever-increasing share of govt expenditures in the economies of today’s advanced countries. Governments had grown the largest in economies most exposed to international markets. Variations in the size of the public sector among rich economies can be explained by the importance of trade to their economies.
* This is because people demand compensation against risk when their economies are more exposed to international economic forces; and govts ensure by erecting broader safety nets through social programs and public employment.
* *If you want markets to expand, you need governments to do the same.*

Globalization’s love-hate relationship with the state

* International trade and finance entail inherently higher transaction costs than domestic exchanges due to their multinational nature and less trust. Governments help reduce transaction costs within national boundaries, but they are a source of friction in trade between nations.
* That is the central conundrum of globalization: can’t do without states, can’t do with them!

**Week 13 – Bayat – Urban Poor’s social movements**

* A major consequence of the new global restructuring in the developing countries has been a double process of integration and social exclusion and informalization.
* SAPs have led to the erosion of welfare state structures. Millions of people in the global South who depended on the state provisions must now rely on their own to survive.
* This led to radical effects in the living standards of millions of vulnerable groups.
* In the meantime, calls for privatization have meant that the public sectors have either been sold or ‘reformed,’ causing massive layoffs without a clear prospect of boosting the economy and creating viable jobs.
* By the late 1990s, 1 billion workers, mostly from the South, were either unemployed or underemployed.
* The recent global restructuring seems to have intensified and extended the social exclusion, and creation, of informal, marginalized groups.
* Those who promote globalization suggest that the trickle-down of an eventual national economic growth will compensate for the eventual sacrifices that the poor make in the transitional phase.
* What do the marginalized think of this recent shift? The author proposes an alternative outlook – ‘quiet encroachment’ – that, according to him, might be more pertinent to examine the activism of the marginalized groups in the global South.
* Quiet encroachment refers to “non-collective but prolonged direct action by individuals and families to acquire the basic necessities off their lives in a quiet and unassuming illegal fashion.
* For the Chicago School functionalists, the urban poor, including many immigrants, were ‘marginals’ – a trait embedded in their social structure. Marginal personality was a manifestation of cultural hybridity, living on the margin of two cultures without being a full member of either.
* Mainstream Marxism did not take the issue seriously as Marxist theory either ignored or described the urban poor as ‘lumpenproletariat,’ the ‘non-proletarian’ urban groups, a term used by Marx himself.
* However, this term gave rise to endless misunderstanding and mistranslation. For Marx, lump- was a political economy category that referred to propertyless people who did not produce – beggars, thieves, thugs and criminals – and who were generally poor but lived on the labor of other working people.
* Hence Marx and Engels characterized them as the ‘social scum,’ ‘refuse of all classes,’ the ‘dangerous classes.’ The communist parties in the Third World did not go beyond looking at the urban disenfranchised as the ‘toiling masses’ or ‘reserve army of labor’ who might have the potential for alliance with the working class.
* The more serious studies on the social conditions and the politics of the urban subaltern in the Third World emerged as a major field for US social scientists during the 1960s as they were seen as potential breeding grounds for the radical guerrilla warfare. Therefore, the political scholarship focused on the poor’s ‘political threat’ to the existing order.
* The ensuing debates were then galvanized into four identifiable perspectives: the ‘passive poor,’ ‘survival strategy,’ ‘urban territorial movement,’ and ‘everyday resistance’ models.

The Passive Poor

* Many observers working in the functionalist paradigm viewed the urban poor as a politically passive group struggling simply to make ends meet.
* Oscar Lewis’s theory of the ‘culture of poverty’ –fatalism, unadaptability, traditionalism, criminality, lack of ambition – remained a dominant perspective for many years, informing much of anti-poverty discourse and policies in the USA as well as the perception of Third World elites toward the poor.
* Lewis’s generalization of the ‘poor culture’ disregarded the varying ways in which the poor in different cultures handle poverty. He was criticized for being a middle-class scholar blaming the poor for their poverty.
* Later critics would demonstrate the myth of marginality as an instrument of social control of the poor, and the marginalized poor as a product of capitalist social structure.

The Surviving Poor

* The survival strategy implies that although the poor are powerless, they do not sit around waiting for their fate to determine their lives and are active in their own way to ensure their survival. They resort to theft, begging, emigration etc to respond to famine and war.
* The poor are seen to survive, though their survival comes at a cost to themselves or their fellow humans.
* However, critics say that this might result in maintaining the image of the poor as victims, denying them any agency.

The Political Poor

* The poor are ‘marginalized’ – economically exploited, politically repressed, socially stigmatized, and culturally excluded – from a closed social system. Not only do the poor participate in party politics and mainstream economic activities, they established their own territorial social movements.
* The territorial character of these movements results from the mode of existence of the agents – the urban poor. They are thought to share a common place of residence, community. Shares space then offers these people the possibility of ‘spatial solidarity.’
* However, the ‘urban movement perspective’ appears largely to be a Latin American model rooted in the sociopolitical conditions of this region. Local soup kitchens, neighborhood associations, church groups, or street trade unionism are hardly common in ME, Africa, or Asia.

The Resisting Poor

* The notion of resistance came to stress that power and counter-power were not in binary opposition, but in a complex, ambivalent, and perpetual ‘dance of control.’ It is based on the idea that ‘wherever there is power, there is resistance.’
* The resistance consisted largely of small-scale, daily, tiny activities which the agents could afford to articulate given their political constraints.
* The resistance paradigm tells us that we may not expect a universalized form of struggle; that organized protest as such may not be possible everywhere, and thus alternative forms of struggles must be discovered and acknowledged.
* A number of problems also emerge from this paradigm. The immediate trouble is how to conceptualize resistance, its relation to power, domination, and submission.
* Many resistance writers tend to confuse an awareness about oppression with acts of resistance against it. The link between consciousness and action remains a major sociological dilemma.
* Many authors in the resistance paradigm have abandoned intent and meaning, focusing instead on both intended and unintended practices as manifestation of ‘resistance.’
* Lack of a clear concept of resistance, moreover, leads writers to overestimate and rad too much into the acts of the agents. Almost any ordinary act of the subjects potentially becomes one of ‘resistance.’
* As Michael Brown notes, when you ‘elevate the small injuries of childhood to the same moral stats as the suffering of the truly oppressed,’ you are committing ‘a savage leveling that diminishes rather than intensifies our sensitivities to injustice.’

The Quiet Encroachment of the Ordinary

* Given the flaws of the aforementioned perspectives, Bayat assesses the politics of the urban marginals in the developing world from a different angle, in terms of ‘the quiet encroachment of the ordinary.’
* This notion describes the silent, protracted but pervasive advancement of the ordinary people on the propertied and powerful in order to survive and improve their lives. This is marked by quiet, largely atomized and prolonged mobilization with episodic collective action without clear leadership, ideology, or structured organization.
* It is distinct from ‘everyday resistance’ in that the struggles and gains of the agents are not at the cost of fellow poor or themselves, but of the state, the rich, and the powerful.
* Life-long struggles of the floating social clusters – the migrants, refugees, unemployed, squatters, street vendors, and other marginalized groups are examples of these.
* These actors carry out their activities not as a deliberate political act; rather, they are driven by the force of necessity to survive and improve a dignified life. While advances are made quietly, individually and gradually, the defense of their gains is often collective and audible.
* They pursue two major goals. The first is the redistribution of social goods and opportunities in the form of the acquisition of collective consumption (land, water, electricity etc), public space, and other life chances essential for survival and minimal standards.
* The other goal is attaining autonomy from the regulations, institutions, and discipline imposed by the state and modern institutions. They also need security from state surveillance as an informal life in the conditions of modernity is also an insecure life. Lots of street vendors suffer from police harassment and lack of business permits. The poor struggle to consolidate into communities, attain schools etc.

Becoming Political

* Once the gains of the agents are threatened by the state, they tend to become conscious of their doings, often defending them in collective and audible fashion.
* Third World states seem to be more tolerant of quiet encroachment than those in the industrialized countries. The latter are far better equipped with ideological, technological, and institutional apparatuses for applying surveillance over their populations.
* Once the cumulative growth of the actors passes beyond a tolerable point, state crackdown becomes expected, though they often fail to yield much result as they are usually launched too late when the encroachers have spread to the point of no return.
* The alliance of the state and the propertied groups adds a class dimension to the conflict. Autonomy and informality deprive states of the necessary knowledge to exert surveillance. Conflict b/w these encroachers and the state thus becomes inevitable.
* This conflict is most evident in the streets, since they serve as the only locus of collective expression for those who generally lack an institutional setting to express discontent.
* The streets are also the public places with the most evident state presence. This dynamic of power relationship between the encroachers and the authorities is termed ‘street politics.’
* Two key factors make the streets an arena of politics. First is the use of public space as a site of contestation b/w the actors and the authorities. Second is the operation of the ‘passive network’ – an instantaneous communication b/w atomized individuals established by a tacit recognition of their common identity – among the people who use and operate the public space.
* Once the individual actors are confronted by a threat, their passive network turns into active communication and cooperation. It is not a given though, as sometimes the actors might feel that tactical retreat would yield a far better result than confrontation, a tendency common in today’s Cairo streets.

Conclusion

* Quiet encroachment serves as a viable enabling strategy for the marginalized groups to survive and better their lot. This non-movement, however, is neither able to cause broader political transformation nor does it aim for it. Yet, these localized struggles are both meaningful and manageable for the actors. In this sense for the poor, the local is privileged over the global/national.