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REVIEW ESSAY

How to Build Market Societies: The Paradoxes of Neoliberal Revolution

RICHARD ROBISON

Since free-market ideologies reclaimed the ascendancy within the policy-making communities of Western governments and more broadly within the political life of Western industrial economies in the 1970s, the theorists and supporters of this revolution initially assumed that an inexorable global convergence towards markets would follow, driven by the costs of resisting its natural efficiencies and the benefits offered to those who embraced it. Three decades on, programmes of economic deregulation, privatisation, the principles of macroeconomic austerity and the ideologies of individualism and consumerism have undoubtedly made deep inroads into the old social democratic amalgams of the West as well as into various systems of state-led capitalism and predatory populism that prevailed elsewhere. But the consequences have, in critical instances, been both unexpected and seemingly counter-intuitive. While it may have been relatively easy to roll back entrenched regimes and enact market reforms, building the systems of political and social governance that would secure a broader neoliberal agenda has proved to be a more difficult matter.

Far from ushering in the decline of the state it would seem that the rise of markets has often been accompanied by a dramatic centralisation and extension of state power, not least in the heartlands of the market revolution; in Britain, the United States, Australia and other (Anglo-Saxon) Western industrial economies. As we shall see, this techno-managerial mode of protecting markets from politics, even where it involved the enhancement of state power, was to be a favoured neoliberal mode of governance. Elsewhere, the sort of political and social governance systems that accompanied the spread of markets was more alarming for neoliberals. Attempts to force reforms through episodes of 'shock therapy', in Russia and Indonesia, have produced powerful social and political oligarchies as the apparent heirs to the old centralised authoritarian political regimes. In Africa, too, three decades of structural adjustment seem only to have consolidated

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predatory elites which have hijacked the reform process to consolidate the clientelist networks that underpin their power. In Latin America, it would appear that the advance of markets is now being driven more effectively by neopopulist regimes, such as that of Lula in Brazil, than previously by technocratic rulers riding on the backs of structural adjustment programmes.

Achieving markets under these circumstances was not at all what neoliberals had envisaged nor wanted. After all, neoliberalism was not just a reconstituted version of neoclassical ideas about markets, but a broader vision of the extension of market values into the realms of politics and society. The focus of the neoliberals was soon to switch to the problems of how to construct these models of governance. Seen in this context, the current US plan to impose the full package of neoliberal reform on Iraq involving the sweeping away of an entire regime followed by a period of hands-on administrative rule seems to be the ultimate act of a government impatient with the problems of filtering market reforms through various social and political intermediaries. Such a ground-zero approach facilitated swift and uncontested institutional reform, not least a new set of virtual flat tax arrangements. The reality is, however, that such a neat solution is not going to happen. The market agenda will be reshaped and maybe hijacked, sooner or later, by forces within Iraq. These will not be the rather bizarre assortment of exiled entrepreneurs assembled in Washington by neoconservatives before the invasion to be the putative leaders of a new Iraq, but the former state apparatchiks of the Saddam regime or a new and much more volatile Shiite community.

Thus, the central problem remains. Who will build the systems of social and political governance required by the neoliberal revolution and what interests will it accommodate? The books reviewed here are among some of the more recent attempts to grapple with the complexities of neoliberal revolution, and the dynamics that produce the various cocktails of states and markets that are emerging in its wake.[1] They plug into a debate not only with long antecedents but which spills beyond the neoliberal camp where markets are understood quite differently as the products of conflicts over power and its distribution and seen as embedded in the configurations of state and social interest that prevail.[2]

Neoliberalism and the intellectual problems of change

These volumes represent a wide-ranging set of approaches, in some cases operating from within the central assumptions of neoliberal methodological individualism but in others from perspectives that question the very building blocks of the neoliberal approach. Yet, for all of them, it is the neoliberal attempt to develop a theory of change that sets the context and defines the questions, partly because neoliberalism operates as more than just another set of ideas but as the orthodoxy that drives the real policy agendas of the current age and that has captured powerful organisations like the World Bank and the International Monetary Fund (IMF). The central dilemma for neoliberals has been what Gamble has seen as the contending mistrust of the state and the mistrust of society.[3] Put succinctly, it is whether change is necessarily driven by the rational calculations of utility-maximising individuals where the state is consigned to an ever-diminishing role because of its natural propensity to restrict individual liberty or whether the natural self-seeking tendencies of society require the tutelage of wise 'technopols' operating in a state emptied of politics and insulated from the predatory raids of distributional coalitions.[4]

By the time these books were written, not only had the contentious role of the technopols in the enforcement of market societies become a central issue, but the practical policy challenges addressed by neoliberal political economists, including those in the World Bank, had become focused on the choices and constraints faced by technopols as they negotiated their way through shoals of rent-seeking predators and highly contingent supporters. This focus on technopols resulted from earlier realisations that the liberation of markets was not going to come from the spontaneous and rational calculations of self-interested individuals. After all, why would self-seeking individuals forgo the opportunity for rents and free-riding to build the systems of general rules and rights necessary to address the collective action dilemmas that confronted free agents? It seemed, ironically, that only the state could provide that essential collective glue.[5] However, public choice theorists like Olson and Buchanan also argued that, if individuals could not be trusted, nor could the state. If states were seen as little more than collections of rent-seeking individuals, the natural tendency of the state and its officials was to construct its power upon the allocation of monopolies to distributional coalitions. In this view, the whole problem of rents could be solved if the authority of states over resources and economic activity was minimised or even eliminated.[6]

In the end, however, no one was seriously going to set about tearing down states, not only because they provided the institutional fabric of entrenched ruling elites but also because they often constituted the only avenue through which neoliberal reforms might be enacted, In the end, the definitive neoliberal political economy was to gel around that strand of 'ordo-liberal' thinking that had emerged in 1930s Germany and which recognised economics as being embedded in politics and the role of a strong state as essential to the process of civilising and managing markets. It was a neoliberal political economy that was to culminate in the idea of the regulatory state emptied of politics and where economic policy and policy makers were quarantined from the predatory influences of vested interest.[7] Thus the various studies we are now going to address are all concerned with problems that emerge from this evolution of neoliberal thinking about state-building. At one level the issue of technopols threads through the studies. Who are the technopols and how do we distinguish between technopols and just plain politicians? How do technopols deal with powerful social interests and can they be so easily separated from them? Do technopols really drive change or do social coalitions? Under what circumstances are technopols more easily able to enforce neoliberal reforms and what role do crises play in this? Is neoliberalism fundamentally and necessarily anti-democratic and can it be more easily implanted through populist or authoritarian systems of state power?

More specifically, however, each of the writers dealt with offers a special key for understanding exactly what are the factors that will drive or inhibit the neoliberal agenda. For Kurt Weyland, the critical question is whether structural crises produce circumstances where new forces on the scene have nothing to lose by going for a radical market agenda. Hector Schamis emphasises the crucial role of business interests in driving market reform, while Nicholas van de Walle argues that clientelist elites in Africa constitute a hostile constituency because of their capacity to hijack the neoliberal process of market reform to sustain their own highly illiberal position.

Structural shocks and risk-taking in the domains of winners and losers

In *The Politics of Market Reform in Fragile Democracies* Kurt Weyland asks why several Latin American democracies have been willing to undertake risky neoliberal reforms, often in the face of potentially damaging opposition from entrenched interests or popular forces and why the fate of such neoliberal adventures has been so different across countries such as Argentina, Brazil, Peru and Venezuala. In a highly nuanced and sophisticated study Weyland clears the decks for his theoretical model of change by addressing the inadequacies of some of the alternative models. To begin with, he proposes that there is no clear link between shifting policy agendas and economic structural factors of the type argued by people such as Stallings. In particular, he argues, quite correctly, that popular resistance to neoliberal reforms has been less than expected. Indeed, one of the impressive aspects of this study is the way Weyland goes on to explain how neoliberal reforms have been particularly useful in the construction of various neopopulist regimes such as those of Fujimori and Menem, enabling them to cut the ground from under entrenched elites embedded in import-substitution regimes while appealing to a new constituency of formerly marginalised groups through social support programmes.

Weyland's critique of economic structuralism is understandable for someone who considers that the dynamics of social and economic change are driven primarily by individual choices. He also takes issue with other approaches that place agency at the heart of the equation, rejecting, for example, the proposition that the choice of development policy may be influenced through the design and construction of institutions. Formal institutions, he suggests, 'seem to have a limited impact on the initiation, implementation and political success of neoliberal reform. In general, formal rules do not reliably guide and channel political activity in Latin America. Instead, they are often bent, broken or changed.'[8] Similarly, Weyland is sceptical of the rational choice proposition that resistance to change, despite the clear collective benefits, is explained by distributional conflicts over who will assume the burdens of carrying out the adjustment. Rather, he argues, rational choice gives too much weight to social action and classes. In reality, he claims, opposition or support from business or labour, for example, is much less than supposed. Political actors such as politicians, parties and state actors play a more central role both in resisting neoliberal policies and especially in initiating them.

What, then, of rational choice approaches that relegate the importance of social action and classes and concentrate on the choices and agency of political actors and politicians directed towards the consolidation of their institutional political interests? Such approaches, for example, had explained the transition to democracy in terms of the ability of political leaders to devise strategies, make deals and negotiate an authoritarian retreat, rather than being the consequences of larger shifts in class and state power.[9] Relating this approach to market transitions, Przeworski argued that drastic shock therapies could be understood as strategies that would best protect the political interests of governments by paying the costs of adjustment quickly and making changes irreversible. In the meantime, new leaders could use austerity measures to punish opponents and distribute benefits, such as privatisation, to reward supporters.[10] However, Weyland argues that there is more to the rationality of choice by political actors than political calculation and rejects what he calls political decision models. It is here that he unveils the argument that cognitive psychological theories provide a more solid foundation for explaining adjustment politics.

In brief, Weyland proposes that political actors will avoid risky behaviour when they operate in the domain of gains – that is, where everything is going well. Conversely, they will be more willing to undertake risks where they operate in the domain of losses and are faced with severe problems and grave threats. Thus neoliberal reforms are unlikely in good times but are more likely to be introduced in times of crisis and collapse. The proposition that most people will wish to keep things as they are in periods of ongoing stability and prosperity or that more of them become willing to make reckless and desperate decisions as economic crises strike and the social and political order begins to unravel is a proposition that has been assumed within almost every theory of change and revolution, including that of Marx. But this desire to turn such an observation into the Pascal's Principle or the Boyle's Law of the social sciences brings important dangers. It is a product of the prevailing formalism of American social science and the view that universal laws can be discovered and applied in the social sciences no less than in the natural ones.

Such universal formulations seem invariably to require never-ending qualifications. For example, why is it that almost all incumbent political rulers refuse the option of risky reforms even where things appear to be collapsing around them? And why do those who introduced reforms in the first place either retreat from them when things unravel or try to press forward unnecessarily? What determines whether neoliberal reforms are sustainable or not? The iron law of psycho-cognitive responses in the domain of gains and losses needs repeated qualification. For example, Weyland argues that the willingness of leaders to introduce neoliberal reforms requires not only bad times but leaders who are outsiders, free of the baggage of the past and without a large client base dependent on rents but for whom expropriations of state property through privatisation programmes might destroy the incumbent elites and provide a cache of rents for new supporters and, indeed, for themselves.

At the same time, Weyland argues that those whose earlier policy choices contributed to the deterioration are naturally unwilling to recant as things get worse. Obstinacy and pride prevent adjustment. But are these really just cases of obstinacy and pride? He cites Thatcher and Soeharto, examples from outside Latin America, as leaders whose behaviour in the face of decline could be explained by obstinacy. This may be so for Thatcher where she refused to give in on policy excesses totally unnecessary to a reform agenda already achieved. But, for Soeharto, the sort of reforms urged by the IMF after the Asian crisis meant nothing less than an abandonment of the very systems of patronage and rents that underpinned his political regime and the corruption that supported the wealth and power of the Soeharto family. In other words, rather than proclaiming this universal law of risk-aversion and risk-taking in the domain of losses and gains, so abstracted from questions of power and interest, Soeharto's behaviour can only be explained in terms of conflicts over power and its allocation.

What, ironically, makes this book such a sophisticated and complex study, is that the universal laws of risk-taking and psycho-cognitive responses turn out, in reality, to be much larger and more recognisable propositions. What Weyland ends up arguing is that neoliberal reforms are carried out or not in the context of struggles to retain or capture power and influence and that it is how neoliberal reforms fit into these objectives that makes the difference. In reality, his methodology seems much like the historical institutionalism or the rational choice/political choice models he rejects. His periodic attempts to tie the politics of markets back to a law of risk-taking in the domains of winners and losers are strained and unconvincing.

For example, Weyland argues that risk-aversion in the domain of gains slows down important structural reform initiatives. In the case of Venezuela he notes that efforts to undertake privatisation and administrative reform stalled because of the resistance of rent-holders, unions, political patronage holders and government bureaucrats. This, he says, is an example of risk-aversion in the domain of gains. Why not simply say that people will defend their interests no matter how precarious? Last-ditch stands by bureaucrats and others in Latin America and elsewhere, it should be pointed out, often take place in circumstances that would be hard to define as a domain of gains and where incumbents are prepared to cling to the wreckage of the only ship they know, even if it is sinking. Similarly, in his perceptive study of the political sustainability of neoliberal reforms and democracy in Peru and Argentina, Weyland argues that in neither case were the reforms rolled back by new regimes. This he attributes to the 'law' of sunken costs and the prior-option bias – an unwillingness to unravel the painful investment in the current system and to embark on a new round of transaction costs. This is a proposition that would appear to preclude most change. More specifically, it does not explain the dramatically different experiences of these two countries after the initial round of neoliberal reforms. Indeed, it is telling that Weyland's explanation of such diverging experiences necessarily involves a complex story of the different ways in which neopopulism was politically constructed, the different power bases of the two regimes and the ways in which society was consolidated or fractured. In other words, the choices of leaders may be more constrained than thought and it is the configuration of institutional and social power that really shapes the options.

Given the inadequacy of public choice theories to explain adequately why states might introduce policies that address a 'common interest', it is perhaps logical that psycho-cognitive theories of behaviour are appealing. Within such an approach, political and social factors are reduced to abstracted sets of constraints and openings in a game where any choice is possible. What is needed is not a universal theory of choices, but a theory of the ways in which state power becomes embedded in conflicts over power and interest.

Who really drives neoliberal reforms? How important are the 'handful of heroes'?

Hector Schamis's *Re-Forming the State: The Politics of Privatisation in Latin America and Europe* focuses precisely on how reform is forged in conflicts over power. He asks how reform-minded politicians, on their own, can launch policies to abolish the privileges of the most powerful vested interests. His study is not so much a challenge to the view that technocrats and reform-minded politicians are the central driving force of neoliberal reforms but rather a challenge to the view that they propel reform from a position of insulation from social forces and that their task is that of neutralising losers. Instead, he argues that the problem is really how coalitions organise in support of reform and how the politics of economic reform is the politics of empowering winners. In short, he proposes that reform will take place when there is an alliance between technocrats and the potential beneficiaries of market reforms and he proceeds to illustrate this proposition in studies of Chile, Britain, Argentina, Mexico and Hungary.

This thesis requires several departures from the accepted truths of the sorts of public choice assumptions that underlie neoliberal theory. Most important, Schamis challenges the idea that liberalisation will eliminate rents, arguing instead that it does, indeed, create opportunities for rents and that these are the basis upon which specific distributional coalitions organise in favour of reform. His explanation of how this happens is an incisive and insightful element in the study. He demonstrates how trade reforms and the opening of the capital account shift resources into the financial sector and offer opportunities for those who obtain special regimes within these changes and provide speculative opportunities for distributional coalitions with high asset mobility. These, Schamis proposes, can tolerate inflation and increase the cost to policy makers not willing to defer to such groups when designing liberalisation packages. Most important, he emphasises the importance of privatisation as a critical opening of rents where there is an absence of effective regulation. The potential rewards lie not only in windfall profits but in the transfer of public utilities as vertically integrated monopolies.

Thus Schamis's study examines how the beneficiaries of neoliberal reform emerge and are organised and how they are encompassed in state policies to enforce change. Chile and Britain are perhaps the most interesting comparative cases. They illustrate one of the central paradoxes of the relationship between reformist states and social beneficiaries. On the one hand, he shows how the state may create, at one level, a close relationship with its social allies in business and elsewhere – for example, among working classes which stand to gain from ownership of privatised assets – and how the state was willing in some cases to rein in the new coalitions where they threatened the project as a whole. This is best illustrated in the case of Chile, where Pinochet engaged in radical fiscal and trade reforms that redistributed rents only to retreat when disaster threatened, bailing out the financial sector, renationalising banks and raising tariffs. After the crisis, this retreat was reversed: banks were sold again and tariffs lowered.

Schamis in effect reveals the growing complexities of understanding what the state does and why. On the one hand, he argues convincingly that liberalisation generally results in the consolidation of centralised state authority – what others have described as the rise of the regulatory state. Thus the state and its officials implicitly possess an inherent institutional interest in liberalisation as a mechanism for increasing their autonomy. At the same time, Schamis describes how the state is constrained in its policies by the need to enhance those social coalitions that support its drive for reform. Most interesting, in the case of Chile, reform benefits the political and administrative elites in a more direct way as bureaucrats, ministers and members of the Pinochet family are the direct beneficiaries of privatisation and sit on the boards of new private conglomerates. These observations raise a new set of questions about the volatile relations between the state and social coalitions that benefit from reform. The very identity of the technocrats and reformist politicians becomes problematic. Under what circumstances do the state and its officials maintain institutional autonomy in the process of liberalisation and within the bounds of legal-rational forms of authority as in Britain? Under what circumstances do the new creations of the deregulation process actually capture the process, as in Russia in the 1990s, and when do the frontiers of public and private interest become merged as powerful conglomerates effectively colonise the state, as in the case of Indonesia under Soeharto?

Neoliberal reform and the consolidation of predatory elites: the case of Africa

Nicholas van de Walle's study of the implant of market capitalism in Africa, *African Economies and the Politics of Permanent Crisis*, explores more extensively the nature of the state as the key to understanding the politics of markets. Although the central question of the book is why Africa remains in permanent crisis despite extensive structural adjustment programmes and inflows of aid and loans, in effect it is a study of how the partial and fitful extension of markets into Africa has enhanced and consolidated patrimonial elites in the state, rather than the sort of financial and corporate interests described by Schamis in his studies. In addition, van de Walle argues that the African experience throws into question the whole public choice (and hence neoliberal) political economy of market politics. He questions the utility, in the African case, of a neat division between reformist decision makers seeking to impose policies that achieve a common welfare and distributional coalitions seeking to capture the state to generate rents. He also rejects the conflation of state autonomy with capacity. Most African states, he proposes, do exercise autonomy from the demands of social coalitions but at the same time are characterised by low levels of capacity.

While Schamis's study is focused on the social forces and alliances that propel neoliberal market reform, van de Walle's is focused on how a sociopolitical amalgam embedded in the state hijacks neoliberal reform to consolidate patrimonial regimes and clientelist political relations. The key to understanding this, he suggests, lies in the nature of African regimes themselves, where the state is largely indistinguishable from a narrow stratum of elites willing to impose austerity on populations but dependent upon the private appropriation and allocation of public resources to feed the clientelist structures that sustain them politically. In other words, the state is never properly emancipated from society – or at least a small segment of it. Such a situation means that no powerful business forces of the type that benefited from market reforms in Chile can be produced. Nor was there any scope for the elaboration of a political and administrative sphere – a bureaucracy on the Weberian model. While, in Asia, technocrats had managed to keep the macroeconomic insulated to an important degree from the microeconomic by maintaining responsible fiscal and monetary policies while allowing privatisation and trade reform to fall into the hands of predators, van de Walle argues that, in Africa, clientelism penetrated even the macroeconomic level of policy. Such a highly concentrated system of state rule by narrow patrimonial elites also carries the danger of disintegration into decay and disorder.

But is there a way out? Or is Africa trapped in an endless cycle where neoliberal reforms continually reinforce the status quo? Does the continued supply of market reforms, aid and loans simply consolidate such a system? Or are we seeing signs of change, for example, in the case of Kenya, where the current government now appears to be reviewing some of the illegal transfers of public property that sustained the previous Kenyatta and Moi governments? Do the arguments of Weyland or Schamis provide answers? Does the Kenyan case represent a way out provided by the access to power of those outside the previous clientelist networks and willing to take the risk of far-reaching reforms simply because things are so bad (risk-taking in the domain of losses)? The question is: why, in such circumstances, would such newcomers not simply rebuild the networks of populist and predatory power that had served their predecessors so well in similar circumstances of decay? Clearly, it is not the domain of losses or gains that really matters – even if these conditions could be agreed upon or applied equally to all.

Some conclusions

What lessons do these studies have for the policy orthodoxies that now prevail in shaping the governance and social sector agendas in the World Bank and other development organisations? If there is one central factor that emerges in these volumes it is that neoliberal transformations require a government willing to drive a reform agenda and able to assemble powerful alliances around this project. This does not mean there is any easy formula. Such reformist alliances may take unlikely forms. For example, a military dictatorship may fuse with a powerful coalition of business beneficiaries, of the type indicated by Schamis in Chile, to consolidate market reform. In other places, the mixture of dictators and business oligarchies may produce different outcomes, as in Indonesia. In other situations, populist governments, such as that of Lula in Brazil, may be the vehicles for market reform, just as the former socialist-oriented Labour parties in Australia and New Zealand were the architects of such reforms in those countries, rather than the conservatives, and why Blair has carried on much of the Thatcher legacy in Britain. In other words, these studies invite scrutiny of the sorts of coalitions that drive or resist change and the domestic or global crises that might bring to life a reformist alliance or cut the ground from under vested interests.

If we extrapolate from these points, we are left with some key observations that collide with strategies designed to kick-start reform through such technical or policy fixes as capacity building, the supply of institutions or good governance or the provision of social capital. The idea that neoliberal reform starts with the creation of a political coalition determined that some form of markets serve its own interests collides with the notions that the reconfiguration of institutions is enough to take care of political opposition to reform by limiting its choices and options or that concepts such as governance and social capital may be masks for more basic political agendas. Recognition of the proposition that neoliberal reform is about power and conflict means an admission that the neoliberal agenda itself is not an abstraction of efficiency standing above vested interest, but a political phenomenon no less than any other agenda for radical social change. Of course, with the huge level of activity that has emerged around institution building, governance and social capital, the development industry has become substantially uncoupled from the development problem and will not likely change. Albeit in a clumsy and fairly naive way, neoconservatives are perhaps most honest about this and may have opened the door to the next stage of the neoliberal advance – moving from institution building to coalition building and a more frank strategy of directly engaging in what is a political battle to assemble and support the alliances that will drive the market process and construct the institutions able to guarantee their ascendancy.[11]

Notes

1. Kurt Weyland, *Politics of Market Reform in Fragile Democracies: Argentina, Brazil, Peru and Venezuela* (Princeton University Press, 2002); Hector E. Schamis, *Re-Forming the State: The Politics of Privatisation in Latin America and Europe* (University of Michigan Press, 2002); and Nicholas van de Walle, *African Economies and the Politics of Permanent Crisis, 1979–1999* (Cambridge University Press, 2001).
2. For example, see Garry Rodan, Kevin Hewison & Richard Robison (eds), *The Political Economy of Southeast Asia: An Introduction* (Oxford University Press, 1997) and *The Political Economy of Southeast Asia: Conflicts, Crises and Change* (Oxford University Press, 2001); Kiren Aziz Chaudhry, *The Price of Wealth: Economies and Institutions in the Middle East* (Cornell University Press, 1997); and Andrew Rosser, *The Politics of Economic Liberalisation in Indonesia: State, Market and Power* (Curzon, 2002).
3. Andrew Gamble, 'The Future of Neoliberalism', unpublished paper presented at the Conference on 'Neoliberalism after Three Decades', Institute for Social Studies, The Hague, 9–11 September 2004, p. 11.
4. The idea of insulated technopols is developed in John Williamson, 'In search of a manual for technopols', in: John Williamson (ed.), *The Political Economy of Policy Reform* (Institute for International Economics, 1994), pp. 11–28.
5. There remain dissenters who continue to argue that market reforms in themselves are enough to produce appropriate policy reforms. See, for example, Andrzej Rapacynski, 'The Roles of the State and Market in Establishing Property Rights', *Journal of Economic Perspectives*, Vol. 10, No. 2 (1996), pp. 87–103.
6. One of the best surveys of the public choice position and the dilemma of neoliberals regarding the position of the state as an agent of change is Merilee S. Grindle, 'The new political economy: positive economics and negative politics', in: Gerald M. Meier (ed.), *Politics and Policy-Making in Developing Economies* (International Centre for Economic Growth, 1991), pp. 41–67.
7. Kanishka Jayasuriya, 'Authoritarian liberalism, governance and the emergence of the regulatory state in post-crisis East Asia', in: Richard Robison *et al.* (eds), *Politics and Markets in the Wake of the Asian Crisis* (Routledge, 2000), pp. 315–30; and Jamie Peck, 'Geography and Public Policy: Constructions of Neoliberalism', *Progress in Human Geography*, Vol. 28, No. 3 (2004), pp. 392–405.

8. Weyland, *Politics of Market Reform in Fragile Democracies*, p. 24.
9. The classic handbook of how change is driven by leaders capable of developing good strategies, conducting effective negotiation and forging effective alliances is Guillermo O'Donnell, Philippe Schmitter & Laurence Whitehead (eds), *Transitions from Authoritarian Rule: Prospects for Democracy* (Johns Hopkins University Press, 1986).
10. Adam Przeworski, *Democracy and the Market* (Cambridge University Press, 1991).
11. There are increasing numbers of studies of the politics of markets in relation to Asia which are worth comparing with the approaches discussed here. These include Rosser, *The Politics of Economic Liberalisation in Indonesia.* See also the special editions of *Critical Asian Studies*, Vol. 36, Nos. 3 & 4 (September 2004) and *Journal of Development Studies*, Vol. 41, No. 2 (2005).