

BOOK REVIEWS

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***State Structure, Policy Formation, and Economic Development in Southeast Asia: The political economy of Thailand and the Philippines.* By Antoinette R. Raquiza.** London and New York: Routledge, 2012. Pp. 153.

Observing economic disparities of wealth across Southeast Asian nations, Antoinette R. Raquiza seeks to provide an empirical explanation for the divergences in economic development that she identifies. Raquiza's book focuses on a historical and comparative analysis of Thailand and the Philippines. Through these two case studies, Raquiza argues that differences in institutional configurations of state power fundamentally determine processes of economic development. Raquiza analyses institutional variations in state power along two main dimensions: (a) the embeddedness of governing elites and economic technocrats in political organizations; and (b) the institutional arrangements that streamline interactions between political elites and economic technocrats in the process of economic policy-making. Raquiza's book argues that the differences in these two dimensions of state power structure the influence of governing elites and economic technocrats in policy-making. Thus, key differences in institutional configurations of state power would account for differences in the economic performance of "late-late developing countries" — Thailand and the Philippines — which, according to Raquiza, have been particularly vulnerable to external economic shocks and internal political instability.

Raquiza classifies the ASEAN-4 nations of the Philippines, Thailand, Malaysia, and

Indonesia as "late-late developing countries". In order to perform this classification, Raquiza emphasizes colonial/historical legacies, the rapidly transforming global context from the 1980s onward, and most importantly, the limited state capacity and lack of policy instruments that would set the developmental experience of these nations apart. While the analysis takes cognizance of these factors, it falls short of distinguishing the developmental experience of the so-called "late-late developing countries" — ASEAN-4 — from the developmental experience of the so-called "newly industrialized countries" of South Korea, Taiwan, Hong Kong, and Singapore. The categorization and its application ultimately raises questions about the very criteria that sustain it and distract the reader from the actual analysis of the study because the premise of distinct groupings lacks support. What, in effect, distinguishes the "late-late" from the "late", and the "late" from the "newly"? Is it, indeed, possible to differentiate the nations of Southeast Asia along a trajectory of latecomers and newcomers, as if only some had safely arrived, no longer vulnerable to the vicissitudes of global economic crises? Because the category of the "late-late developing countries" raises doubts in itself, it undercuts Raquiza's argument that the differences in institutional configurations of state power account for divergences — "late-late" vs. "late" — in economic development.

Although the working categories of Raquiza's argument remain in question, her book deserves considerable merit for delineating the specificity and difference with which political leaders and economic technocrats influenced economic policy agendas under economic crises. It should be noted, however, that because the case studies focus primarily on Thailand and the Philippines,

Raquiza highlights variance within the “late-late” category rather than similarity. Raquiza asks and demonstrates why governing elites in Thailand responded to the 1997–98 financial crisis by increasing technocratic regulation while governing elites in Philippines responded to the 1983–85 debt crisis by increasing the politicization and liberalization of existing economic policies and programmes. Describing the Thai configuration of state power then as a “bureaucratic polity”, Raquiza writes that this configuration consisted in “a political leadership and economic technocracy that derived their power from robust state institutions notably the military and civilian bureaucracies, and that dominated distinct policy domains” (p. 79). In the case of 1997 Thailand, embedded, centralized, and hierarchical state bureaucracies enforced institutional separations in policy processes that allowed senior technocrats autonomy from the agendas of governing elites to shape economic policies. On the other hand, in the case of the Philippines in 1983, Raquiza demonstrates how the state configuration of power assumed the form of a “proprietary polity” model, in which power was organized around personalities, social status, and personal wealth. As such, the Philippine model lacked strict separation between economic and political policy domains, thereby providing opportunities for governing elites to drive policy-making in pursuit of their own personal agendas.

The argument of the book proposes a normative framework that favours strong state institutions while advocating for the institutional bifurcation of the policy arenas of political leaders and economic technocrats. Briefly put, Raquiza argues that “the intrusion of politics” (p. 152) should not be allowed to undermine developmental policy-making. As powerfully ideal as this argument is, it leaves the reader to wonder what strengthening the bifurcation of the policy process actually entails, and how a state such as that of the Philippines would go about reforming its policy-making structure.

Indeed, despite enforcements of institutional separations, it must be said that economic and political interests most often come hand-in-hand. Hence, it becomes difficult to sustain the argument that the institutional bifurcation of the political and economic explains divergences — “late-late” vs. “late” — in economic development. Much as the category of the “late-late” raises questions of whether the category itself can be maintained, it must be asked whether the political arena can be separated from the economical, and whether such a separation would account for divergences in the developmental trajectory of nations.

There can be no doubt that state institutions fundamentally structure how political elites and economic technocrats interact in their exercise of power. Through a historical and comparative analysis of Thailand and the Philippines, Antoinette R. Raquiza thus argues that the institutional strength of state power and specifically, the relationship between political elites and economic technocrats, shape economic policy and outcomes. Raquiza’s book aims to demonstrate that the relative presence or absence of state enforced bifurcation of the political and economic arenas accounts for divergences in paths to successful economic performance and development among countries in Southeast Asia. However, it remains for Raquiza to offer an account of how countries with weak state institutions would actually go about strengthening mechanisms for policy-making so that economic development would be unhindered by vested political interests. More fundamentally, it must be further questioned whether the separation of political from economic arenas actually constitutes a criterion that differentiates the developmental latecomer from the newcomer, or if Raquiza’s analysis only discloses a differentiation specific to her case studies of Thailand and the Philippines.

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