

IDS Bulletin

Transforming Development Knowledge

Volume 47 | Number 2A | November 2016

STATES, MARKETS AND SOCIETY – NEW RELATIONSHIPS FOR A NEW DEVELOPMENT ERA

Editor **Melissa Leach**



Notes on Contributors	iii
Introduction: States, Markets and Society – Looking Back to Look Forward Melissa Leach	1
PART I: LOOKING BACK – ARCHIVE ARTICLES	
Politics, Class and Development (Editorial) <i>Robin Luckham Article first published January 1977, IDSB9.1</i>	19
The Retreat of the State (Editorial Introduction) <i>John Dearlove and Gordon White Article first published July 1987, IDSB18.3</i>	23
Alternatives in the Restructuring of State–Society Relations: Research Issues for Tropical Africa <i>David Booth Article first published October 1987, IDSB18.4</i>	29
Towards a Political Analysis of Markets <i>Gordon White Article first published July 1993, IDSB24.3</i>	45
Strengthening Civil Society in Africa: The Role of Foreign Political Aid <i>Mark Robinson Article first published May 1995, IDSB26.2</i>	59
No Path to Power: Civil Society, State Services, and the Poverty of City Women <i>Hania Sholkamy Article first published January 2010, IDSB41.2</i>	77
PART II: LOOKING BACK TO LOOK FORWARD – NEW ARTICLES	
States or Markets – Twenty-Five Years On Christopher Colclough	89
Inequality and Exclusion in the New Era of Capital Violet Barasa	93
Inclusive Innovation, Development and Policy: Four Key Themes Amrita Saha	101
Consequences of Inequality for Sustainability Sunita Narain	113
Accelerating Sustainability: The Variations of State, Market and Society Dynamics in Diverse Contexts Ramy Lotfy Hanna	117
Political Challenges of Addressing Climate Change through the ‘Entrepreneurial State’ Rachel Godfrey-Wood	125
Civil Society and Civic Engagement in a Time of Change Becky Faith and Pedro Prieto-Martin	137
State, Market and Society Relations: The Roaring Last Fifty Years Luka Biong Deng Kuol	145
State–Society Relations and the Dilemmas of the New Developmentalist State Evelina Dagnino	157
Back to the Future? Michael Edwards	169
Restoring Development <i>Dharma</i> with Toad’s Eye Science? Dipak Gyawali and Michael Thompson	179
Glossary	191

Politics, Class and Development (Editorial)

Robin Luckham

Article originally published January 1977, Volume 9 Issue 1; original IDS editing is retained here.

Abstract The State is a powerful reality and a still more powerful abstraction. An abstraction which conservatives who believe in 'political order' affirm; which revolutionaries hope to smash or negate; which planners and technocrats make use of in order to propound ideologies of state managed development; and the influence of which others who see it as the captive of class forces minimise. All the essays in this issue of the *IDS Bulletin* attempt to penetrate behind this abstraction by looking at various state institutions in a concrete way. In concentrating on the State we may, ourselves, in conclusion contribute to the myth of its omnipotence. Development studies may be as much in need of a theory of revolutionary change as of a theory of planning.

The State is a powerful reality and a still more powerful abstraction. An abstraction which conservatives who believe in 'political order' affirm; which revolutionaries hope to smash or negate; which planners and technocrats make use of in order to propound ideologies of state-managed development; and the influence of which others – who see it as the captive of class forces – minimise.

All the essays in this issue of the *IDS Bulletin* attempt to penetrate behind this abstraction by looking at various state institutions in a concrete way. The first three articles – by Gabriel Bolaffi, Alan Lindquist and Robin Luckham – examine the phenomenon of militarism in various national and international contexts. They are followed by a paper by Geoff Lamb on the interconnection between US influence and the post-colonial State in the Caribbean and three articles – by Steven Langdon, Tom Forrest and Carlos Fortin – on various aspects of the interaction between governments, the indigenous bourgeoisie and multinational capital. Lastly, an article by José Villamil calls for a reconsideration of planning, to make it a more suitable instrument of the major structural transformation of dependent capitalist societies.

© 2016 The Author. *IDS Bulletin* © Institute of Development Studies | DOI: 10.19088/1968-2016.176



This is an Open Access article distributed under the terms of the Creative Commons Attribution Non Commercial 4.0 International licence, which permits downloading and sharing provided the original authors and source are credited – but the work is not used for commercial purposes. <http://creativecommons.org/licenses/by-nc/4.0/legalcode>

The *IDS Bulletin* is published by Institute of Development Studies, Library Road, Brighton BN1 9RE, UK
This article is part of *IDS Bulletin* Vol. 47 No. 2A November 2016: 'States, Markets and Society – New Relationships for a New Development Era'; the Introduction is also recommended reading.

They share the view that the State cannot simply be viewed in terms of the utilitarian calculus of conventional development economics: as providing in the bureaucracy, political parties, the military and the development agencies a set of instruments through which economic resources may be allocated and 'development' more (or less) efficiently managed.

In the first place the state machinery itself is typically badly co-ordinated, contradictory and driven by struggles for power. Such struggles are not 'externalities' which can be assumed away for the purpose of determining priorities for the allocation of resources. They are intrinsic in the state machinery itself and in the struggles for economic resources, power and cultural values between social classes over which it presides. The army for instance might seem to be the most perfect expression of the unity and power of the State. Yet as the articles by Bolaffi, Lindquist and Luckham demonstrate, in no other institution are social contradictions more sharply concentrated.

Second, the State is a repository of certain use values of a negative as well as a positive kind. To be sure it secures certain basic minimum conditions of stability and order (from which, however, all social classes do not benefit equally) and a framework of coercion within which the allocation of resources can be managed. But through it the ruling classes can also repress, terrorise and exploit.

The trend towards authoritarian government in the Third World has made many well-meaning people concerned about violations of basic human rights. But it is little use Western statesmen, newspaper editors and scholars criticising such violations without attempting to understand the economic and social forces which bring them about. The articles by Bolaffi, Lindquist, Luckham and Lamb all account for the dynamics, and consequences, of state repression. Bolaffi in particular shows how the violent exclusion of the mass of the population from politics in Brazil follows from the logic of the strategy of national development adopted by the country's military rulers and from the nature of their hegemonic pact with the multinationals and certain sections of the national bourgeoisie. And Lindquist shows how Bangladesh lost the opportunity of a more participatory kind of development after its secession from Pakistan as the result of the creation of a corrupt one-party government under Sheikh Mujib and of the seizure of power by the professional military establishment. His analysis of the forces – both domestic and international – which blocked the creation of a 'people's army' during and after the civil war is of especial interest.

Three of our contributors pursue the interaction between state managers of the economy, national ruling groups, the indigenous bourgeoisie and foreign capital in more detail. Langdon examines five case studies which illustrate the complex way in which the Kenyan State mediates between local entrepreneurs and multinational corporations, integrating the former and their political allies more fully into

transnational capitalist production. Tom Forrest asks why, despite the availability of substantial oil revenues, state intervention has not created the conditions for a productive pattern of capitalist development in the Nigerian economy; and suggests that it is partly because commercial relations with the international economy and reliance on foreign technology support the dominance of the commercial and managerial fractions of the bourgeoisie. Carlos Fortin examines the reasons why in recent years widely divergent ruling groups have come to adopt natural resource ideologies, bringing about more active state regulation of international investment in Latin American mineral production. In a number of countries the nationally dominant classes have actually succeeded in capturing an increasing share of the surplus generated by this production; though the final result may only be a new form of insertion in the world capitalist system in which multinational firms secure their profits through transfers of technology rather than by direct ownership of productive enterprises.

The ability of the nationally dominant classes to secure and allocate resources through the State should not be underestimated. But how can one ensure they are used to create a less dependent pattern of national development? In a most interesting article, José Villamil suggests that the existing structure of planning in most developing countries is inadequate for this purpose. A more realistic model would have to take account of – indeed make use of – the struggle between classes. It would have to envisage major structural change in the economy and the dislocation and uncertainty created by this change. In sum, planning would be a much more political exercise requiring major strategic choices, rather than a technological function involving the allocation of resources in order to achieve their most ‘efficient’ utilisation.

In many ways, however, Villamil’s analysis is incomplete. For he *assumes* at the beginning of his article that the political conditions for structural transformation have already been created. But in most Third World countries it is precisely this which is in question. The existing ruling classes and their international allies have little interest in a transformation which would undercut their own power and privilege. A process of mass struggle would be required to remove them or to create the conditions under which some of them would be prepared to implement genuine change. But in most countries such a struggle is in its infancy.

Not least among the difficulties it faces is international intervention by the large powers. Carlos Fortin analyses how the destabilisation of the Allende regime in Chile by the US government and multinationals ended its attempts to increase national control over copper and the national economy. Geoff Lamb examines the pervasive influence of the US in the Caribbean and the manner in which pressure is brought to bear, whether to bring down regimes unfavourable to US interests like Dr Cheddi Jagan’s in Guyana, or to stabilise more compliant regimes like that of Dr Eric Williams in Trinidad. Alan Lindquist examines

how India's help ensured the success of Bangladesh's secession, but also helped determine the nature of the groups which succeeded to power (he also examines other foreign – including US – influences on the consolidation of the national class structure). Gabriel Bolaffi and Robin Luckham examine great power influence on counter-revolutionary military doctrines of 'National Security'. Robin Luckham also takes a more general look at the various ways in which large powers may bring military and political influence to bear at the periphery.

All this does not, however, mean that change is impossible. Indeed the contributions to this issue of the *Bulletin* suggest that underdevelopment and national dependence create multiple contradictions and discontents which can be made use of to create the impetus for change. Robin Luckham examines the internal fractures which in appropriate circumstances radicalise sections of the military establishment. He also takes account of the international contradictions which lessen the ability of the large powers to intervene. Gabriel Bolaffi examines the apparent disintegration of the Brazilian military establishment and its inability to justify or sustain its hegemony. Steven Langdon and Carlos Fortin examine the factors which make the alliance between the State, local capital and multinational unstable as well as those which hold it together. Fortin also analyses the international conjuncture which made it difficult for multinational firms to mount a direct challenge against the Allende regime's nationalisation of their copper investments. And finally Geoff Lamb calls attention to the interesting differences between Guyana, where working class struggles have pushed the regime away from the imperial umbrella, and Trinidad where they have intensified the government's reliance on external support. In the former the regime is beginning to implement strategic alterations in its relations with foreign capital of a kind which might fit Villamil's model of planned self-reliance. But even in Trinidad the alliance between oil and sugar workers may bring change, though this might involve an outright confrontation with the regime.

In concentrating on the State we may, ourselves, in conclusion contribute to the myth of its omnipotence. Development studies may be as much in need of a theory of revolutionary change as of a theory of planning.