International History and Politics
Academic year 2011-2012

The Spread of Industrialization in Asia, Africa and Latin America
HP6 - Spring - Course - 6 ECTS
Wednesdays 14:15-16:00 Room CV 516

Course Description
The spread of industrialization has transformed the world, and continues to do so. This course examines the uneven but dramatic process of industrialization with borrowed (and adapted) technology, from late nineteenth century Japan to contemporary China and India. Drawing also on the experiences of Latin America, Africa and the East Asian 'Tigers', we consider the arguments about the respective roles of the state, domestic and export markets, and large firms in 'late' industrialization; domestic and foreign sources of capital, natural resources and enterprise; the extent to which industrialization in the 'Third World' has been labour rather than 'capital'-intensive, as in Europe; and the recruitment, training and payment of workers, and their collective actions.

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Structure: The introductory meeting (which will include an introductory mini-lecture) will be followed by three lectures (weeks 2-4) and then nine seminars (weeks 5-13) led by student paper-givers and discussants, before the concluding meeting. There is room for two student papers in each of the nine seminar weeks, implying a maximum of eighteen students on the course. In content, the course will balance comparative studies of themes with more detailed examination of individual regions of the world.

What is asked of students:
1. To participate in the course as a whole: doing the essential reading for each week’s topic (including other students’ draft papers, when applicable), and coming prepared to question and intervene.
2. Providing written and oral comments on another student’s draft paper, to help the author improve it.
3. Researching, writing, presenting, defending and improving your own paper.

Evaluation will be based on:
1. Class preparation and participation (20%).
2. Comment on a fellow student’s paper (20%).
3. Presentation and defence of your own draft paper (10%).
4. Final version of your paper, which should be 4-6000 words (50%).

Readings: Are intended to be accessible to those without an economics background. Students are asked to read and reflect before each seminar. Everyone should please read the ‘Essential’ items, which total about 70 pages per week. If you are discussant in a particular week, or have time to explore the topic further, please also use the ‘Further’ readings. For your paper, you will need even more readings; please come and discuss these, and your topic and the formulation of your question, in my reception hours.
TOPICS OF THE LECTURES (AND ASSOCIATED DISCUSSIONS)

1. INTRODUCTION: ISSUES AND PERSPECTIVES
A. Organising meeting: introduction to the course, to what is expected of students, including as paper-givers and discussants.
B. Introductory mini-lecture: issues and perspectives. An outline of the spread of industrialisation; key debates and theoretical approaches, including the currently influential rational-choice institutionalism.

2. HOW IT BEGAN: THE INDUSTRIAL REVOLUTION AND THE GREAT DIVERGENCE
This week’s lecture and associated discussion will be devoted to the beginning of industrialisation, a subject on which there has been important new research. The British industrial revolution is now widely seen, following Pomeranz, as the marking the beginning, or at least the crucial stage, in the West’s economic advance compared to China, after many centuries in which the most economically developed parts of Europe were probably at a similar level, or even behind, their counterparts in Asia. What does this reassessment of the industrial revolution imply for the analysis of the subsequent spread of industrialisation to other regions of the world?

Essential reading
R. Allen, *The British Industrial Revolution in Global Perspective* (2009), pp. 1-22, 135-55, 272-5. Very clearly written. PP. 135-56 (‘Why was the Industrial Revolution British?’) is the core of Allen’s argument, but the other extracts discuss alternative interpretations and provide broader and longer perspective.

Further reading

3. ‘LATE DEVELOPMENT’ IN THEORY AND PRACTICE
We consider the proposition, originally advanced by Gerschenkron, that the industrialisation of even one part of the world alters the incentives, imperatives, opportunities and constraints facing later industrialisers. For Gerschenkron, ‘late development’ meant industrialisation in the absence of some of the conditions for a spontaneous industrialisation. In this situation, for example, the state may substitute for private enterprise and the market if the latter are as yet unable to provide the entrepreneurship and demand necessary for industrial take-off. For Amsden, ‘late development’ is simply industrialisation using borrowed technology, and she sees the process rather differently from Gerschenkron: as presupposing a relatively high level of education, and as facilitated by a relatively equal distribution of income. How do their respective arguments look in the context of the experience of late industrialisations, from Meiji Japan to the present?

Essential reading

Further reading


4. PLURAL ‘PATHS’ OF ECONOMIC DEVELOPMENT

Recently, Sugihara has offered an alternative (or supplement?) to the ‘late development’ perspective. He distinguishes very long-term paths of development, defined by choices of technique and institution in response to persistent differences in factor endowment. Specifically, he identified a Western ‘capital-intensive’ path of development, before, during and after the industrial revolution. He contrasted this with an East Asian ‘labour-intensive’ path, whereby the rice economies of Japan and China favoured labour-absorbing institutions and highly labour-intensive (capital-sparing) methods in agriculture and later also in manufacturing. We need to consider how far this framework works, and whether it can do justice to the experiences of South Asia, Latin America, and Sub-Saharan Africa. The latter, for example, was characterised until very recently by shortage of labour as well as capital.

Essential reading


Further reading

TOPICS FOR THE SEMINARS

NOTE: Most or all of the following eight topics (5-13) will be approached via student papers. The papers may address the problems introduced below, but may also (with the agreement of the teacher) explore rather different – though related – themes. For each week, everyone is asked to read at least 70 pages from the published readings below, and the student papers and commentaries posted online (on Moodle) ahead of the class.

5. THE ORIGINAL ASIAN INDUSTRIALISATION: JAPAN 1868-1937

Supervised by the state following the Meiji Restoration in 1868, Japan became Asia’s first industrial nation. Why was Japan able to respond so quickly and effectively to the challenge of industrialisation? How much did this owe to favourable legacies from the preceding Tokugawa period, which was once seen as anything but economically progressive? We need to consider the roles of agriculture, cheap labour, industrial organisation and the acquisition of colonies in Japanese industrialisation, as well as the role of the state: all controversial topics. What lessons should we draw from the Japanese experience about ‘late development’ and ‘paths of development’?

Essential reading

NB: Compare with Sugihara’s passages on Japan in last week’s readings.
Further reading

6. LATIN AMERICA TO 1945: EARLY INDUSTRIAL GROWTH AND THE ORIGINS OF IMPORT-SUBSTITUTION POLICIES
It is often forgotten that Brazil, and to a lesser extent Argentina and Mexico, saw significant industrial growth (not yet industrial ‘take-off’) during the pre-1914 era of export-oriented economies. Should this be seen as laying the foundations of subsequent developments, and why – and how effectively – did Latin American governments come to adopt import-substitution policies in the interwar period?

Essential reading

Further reading

7. INDIA UNDER COLONIAL RULE AND UNDER THE ‘LICENCE-PERMIT’ RAJ
It is also often overlooked that India was among the ten largest manufacturers in the world in the 1940s, having experienced considerable growth of modern manufacturing since the late nineteenth century, much of it by Indian firms such as Tata. Was the British economic regime as laissez-faire as it is usually painted, or should its shifts towards selective and then general protectionism in the interwar period be taken seriously? How did the handloom weaving industry manage to survive, and how far did small-scale weavers mechanize? Why did Indian politicians and businessmen decide that protectionism against foreign and domestic competition was essential for industrial development after independence? Conversely, have the economic achievement of the ‘licence-permit Raj’ been underestimated?

Essential reading

Further reading

Japan having been considered a kind of ‘exception that proves the rule’, especially because it was never colonised, it was the spectacular industrialisation of East and Southeast Asian economies, especially South Korea and Taiwan, that showed that industrialisation was possible in Asia even in former colonies. Did Japanese colonialism actually facilitate subsequent industrialisation? What was it about the pattern of state intervention in South Korea and Taiwan that made their interventions much more successful
economically than those of (say) India, Argentina or Ghana? Was the difference technical or political? What, if anything, did it owe to the fact that both South Korea and Taiwan were former Japanese colonies, and were on the front line of the Cold War? What, if anything, did land reforms contribute to their industrialisation?

**Essential reading**

A. Amsden, *Asia’s Next Giant: South Korea and Late Industrialization* (1989), pp. 1-23 (‘Industrializing through learning’) and pp. 139-55 (‘Getting relative prices “wrong”: a summary’).


**Further reading**

A. Booth, ‘Initial conditions and miraculous growth: why is Southeast Asia different from Taiwan and South Korea?’, in Jomo K. (ed.), *Southeast Asia’s Industrialization: Industrial Policy, Capabilities and Sustainability* (2001), pp. 30-58.


9. ‘DEPENDENT DEVELOPMENT’ IN LATIN AMERICA: FROM IMPORT-SUBSTITUTION TO THE ‘TRIPLE ALLIANCE’ AND THEN ECONOMIC LIBERALISATION

We review successive ‘growth models’ in Latin America, from 1945 to the present: import-substitution in the context of Structuralist pessimism about the developmental consequences of primary product exports, to the later adoption of more export-oriented and liberal economic regimes. We pay particular attention to the case of Brazil, where the term ‘dependent development’ was coined to refer to the compatibility of continued domination by foreign, trans-national, enterprises in collaboration with the state and with domestic firms.

**Essential Reading**


**Further Reading**


10. CHINA AND INDIA: THE EMERGING GIANTS

The continuing Chinese industrial take-off is itself reshaping the world economy (and perhaps the world environment), as the more recent Indian one promises to do also. These two industrialisations are not only unprecedented in the vast numbers of people caught up in them, they also destroy widely held assumptions in social science: namely that Communism in China was incompatible with the market, let alone with industrialisation through partly market mechanisms, and that India was destined to a low (‘Hindu’) rate of economic growth, for cultural and/or historical reasons. What brought about the apparently sudden transformation in each case? How do the forms of business organisation, and the property rights regimes, of these two countries compare to those with which industrialisation occurred elsewhere?
11. SUB-SAHARAN AFRICA: FROM INDUSTRIAL GROWTH TO INDUSTRIALISATION?
Given that this region lacked a comparative advantage in manufacturing, and under colonial rule lacked governments with the commitment and resources to invest in moving their economies up the value chain, it is perhaps surprising that there was so much manufacturing in Africa by 1960, or 1980, rather than so little. Settler regimes in South Africa and Southern Rhodesia were willing to use mineral revenues to subsidise manufacturing (from the 1920s and 1930s respectively), but it was only in the second half of the twentieth century that modern manufacturing really began to expand in even a few of the former ‘peasant’ colonies, notably Nigeria. As in Latin America and South Asia, African governments in the 1960s favoured import-substitution industrialisation. The outcomes are usually, though not always, regarded very pessimistically. But has the liberalisation of economic policies from the 1980s onwards destroyed such ‘infant industry’ as there was, or – alternatively – has it obliged it to begin to ‘grow up’? Has the growth of population in Africa (since the 1920s), and the expansion of education (especially since independence, c.1960) combined to move Africa’s comparative advantage towards manufacturing?

Essential Reading

Further Reading

12. AND 13. COMPARATIVE THEMES
We should devote these two weeks to student papers exploring key issues through a comparison of cases drawn from more than one continent or sub-continent. Possible themes include the political and technical requirements of successful government promotion of industrialisation, evaluation of Amsden’s version of the concept of ‘late development’ and/or of Sugihara’s notion of plural ‘paths’ of development, the effects of colonial pasts on the prospects of industrialisation, the relationship between industrialisation and
democracy, and the industrial development of a part of the world not specifically covered above.

**Reading**
Readings for the class will be posted on Moodle once the questions which the presenters will address in their papers have been agreed.

**14. REVIEW AND REFLECTION**
This concluding session will be a conversation about the major patterns and processes discussed in the course, and about their implications for the future. This is an important occasion for tying up loose ends and reflecting on the most important issues. By the time of this session most of you will have submitted the final version of your paper, but the final meeting is an important opportunity to discuss: please come and participate.