

***Historical Development Trajectories: Theory, Analysis, and Applications to National Cases, Miguel Ángel Rivera Ríos, Mexico, Faculty of Economics - UNAM, 2014.***

In this book, Miguel Ángel Rivera contributes to the discussion surrounding development from a heterodox approach. Rather than merely analyzing developed countries, as is customary in the vast majority of the literature about this topic, he is concerned with analyzing the historical trajectories of the so-called “late” or “delayed” countries (alluding to the paradigm of late industrialization); in other words, he looks at countries which, for one reason or another, have been unable to catch up to their developed counterparts.

Rivera Ríos points out that, contrary once again to what is generally assumed by orthodox and even heterodox approaches (such as the technology approach), lagging countries cannot simply transpose the successful models of advanced or even converging nations. Type “A” cases, as the countries in Southeast Asia are frequently designated, are usually analyzed in this type of work, as if their recent momentum were exclusively due to the adoption of technology promotion policies, also known as “developmentalist” policies, but these discussions avoid touching on what happened before these measures were adopted, which reduces these analyses to an evaluation of the effects of development, rather than the causes. Rivera Ríos compares these experiences with those of the type “B” late countries, with many examples from Latin America (with the likely exception of Brazil), to assert that type “A” countries had to alter their historical paths, often in response to an endogenous or exogenous shock that prompted the need to modify the trajectory.

Something these countries have in common are their roots in colonial rule, which imposed adverse conditions for insertion in the international market by reproducing an extractivist model subordinated to the metropolis. These experiences are a key driver in the trajectory of countries by way not only of economic models, but also policy guidelines that curtailed the space for social mobility, and when they have not exacerbated the underdevelopment manifest in stagnation and economic, political, and social crises, have only given rise to precarious development attempts, generally incomplete. For people who espouse this view, these outbreaks of development are especially exceptional, manifest in their use of the term “miracle” (the Mexican miracle, the Brazilian miracle, or more recently, the Asian miracle). However, in more than a few cases, once these countries achieve formal freedom from the metropolis, these former colonies face the problem of what their power structures will look like. If the elite that emerges in the aftermath reproduces the same extractivist behavior and the same subordinated relationship to the global market, administering the potential fortune entailed by these natural resources, any change to the colonial situation will be merely rhetorical.

At the heart of this discussion are the State and power. Rivera Ríos goes beyond the accepted idea that the State will behave in a developmentalist fashion, as though it were only about trying to

explain the advantages of this behavior (rational model). By introducing the variable of power, the author focuses on the wide range of national cases where it was more profitable to prolong the underdevelopment, in which case the State and the power-bearing coalition tend towards functionally predatory conduct. If the elite benefit from a historically learned trajectory sustained on informal institutions of inequality, poverty, and lagging technology, all of which characterize underdeveloped countries, what incentives are there to change the trajectory?

In this way, the author analyzes how this predatory behavior is the result of a historical path that feeds on itself and is embedded into the social structure of lagging countries, prompting a trajectory whose informal institutions prevail over formal institutions, in the sense of Douglass North and earlier work by Thorstein Veblen. The Gordian knot is thus to understand how is it that a trajectory like this can be altered to give rise to a new foundation that would lead to developmentalist policies. In other words, how can we explain the transformation from a predatory State to a benevolent State?

Drawing on an analytical approach that revisits elements of the development economy, as well as the new development economy, and historical institutionalism, based on the recent work by North and other similar authors, Rivera Ríos articulates his own approach, which lines up with the best critical tradition of the political economy, and analyzes four national cases: South Korea, China, and Brazil, as “A” countries, and Mexico as a “B” country. These four late countries have followed different historical trajectories since the second half of the twentieth century, and, except in the Korean case, all have fairly large territories and populations, and have also been subject to, in various forms, authoritative governments.

By contrasting these experiences, the author identifies the key processes that either ensured the continuity of or altered these trajectories. Socioeconomic change does not come about spontaneously; nor does it depend on subjective factors. Rather these changes reside in the features of the power structures of each of these cases, as well as the relationship with power and the field of influence. It is power, through the coalition in which it rests, that by dictating the rules defines an institutional matrix that can encourage collective action, creativity, entrepreneurial behavior, social capital formation, or, on the flip side, break down cooperation, discourage entrepreneurs, drive clientelism, and settle for mediocrity.

The book consists of seven chapters, divided into three parts. The first encompasses chapters one to three, and describes what used to be called the theoretical-methodological framework, where Rivera Ríos discusses the problems of economic thought resulting from the burnout of the grand theories of the twentieth century. These very problems demand novel and seminal contributions to development theory, in dialogue with the new development economy and historical institutionalism, which addresses the connection with the political economy of power. In the second part, the author

describes the various institutional and organizational discrepancies between the developed and late worlds, paying special mind to the historical milestones that have brought about the “underdevelopment trap” and impede the institutional change that would prompt economic growth. Finally, in the third part, the author applies his theoretical construct to profile the national trajectories of the four cases mentioned, beginning with a discussion of their spaces for social mobilization and the institutionalization of power. Rivera Ríos concludes that of the four countries, the Asian nations have undergone the most momentous transformation, induced by large-scale exogenous shocks. The analysis of how the power structure in these countries was redesigned, which was a decisive factor in either the continuation or alteration of their historical trajectories towards a new path, is perhaps controversial. Brazil has gone through a much broader-ranging process, but with significant progress that makes it a type “A” country, while Mexico is a type “B,” because the ruling coalition continues to engage in predatory behavior.

In this book, readers can expect to find a study that has surely matured throughout the various years in which Miguel Ángel Rivera has put forth questions, raised problems, and suggested hypotheses that contribute to a more vigorous debate about development and the possibilities for late countries, which the majority of the nations in the world are. This book has gone beyond the charm of the models to build this argument, and it urges anyone interested in the topic of economic development to delve into an analytical framework far removed from economicism, which in and of itself constitutes an exceptional interdisciplinary exercise. .

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