The Political Economy of the Middle-Income Trap: Towards “Usable” Theories in Development Research

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“Usable theories are like comfortable shoes: less sexy than the high heels of methodological purism, but functional and convenient for long walks in the empirical mud of the real world.”

- Wolfgang Streeck in ‘Doing Theory Realistically’

There is no shortage of grand theories in development studies, which view development as a universal and linear progression towards economic prosperity, perpetuating the notion of ‘one solution fits all’ policies. The critics have called for greater sensitivity towards the context; both space and time. This has, in turn, led to the abundance of fine-grained empirical case studies, which has promoted the notion that ‘every case is different’. The knowledge void that exists in between has meant that even if policy actors are aware that one-size-fits-all is problematic, it is deemed better than simply muddling through without “usable” (middle-range) theories that are able to capture the context specificity (Merton 1968, Rueschemeyer 2009). In development studies the need to fill this gap is particularly critical and immediate as the very nature of the discipline demands that its researchers not simply seek to understand the world around them for the sake of advancing knowledge, but also to serve the policy actors who seek to better it (Kang 2014). The workshop seeks to develop usable theories that would equip researchers to navigate the “long walks in the empirical mud” of the middle-income trap.

Where is the trap in the middle-income trap?
The ‘middle-income trap’ - a situation in which countries that have attained a certain level of development find it difficult to make the leap required to become advanced economies -
has become a great concern for the media and the international policy actors alike. The World Bank’s China 2030 report shows that of 101 middle-income economies in 1960, only 13 had become high-income by 2008. A working paper published by the Asian Development Bank identifies 35 out of 52 middle-income countries - i.e., with a GDP per capita income of between $2,000 and $11,750 - as being in danger of falling into the middle-income trap category (Felipe, 2012). Working paper published by the IMF identifies ‘slow growth risk’ countries, and tells a similar story (Im and Rosenblatt 2013).

With emerging economies - particularly China - now showing signs of sluggish growth, speculations on why and when are mounting, along with potential policy solutions. The discussions emanating from the media (e.g., The Economist 2011, The Financial Times, 2011) and working papers and blogs of international organisations are ripe with high-growth strategies aimed at boosting the drivers of growth. Much of this discussion has been centred on “smart” trade and investment policies to enhance technological and innovation, with heavy emphasis on foreign direct investment and infrastructure development.

The premise of the proposed programme is that the drivers of growth alone cannot fully tackle the problem of the middle-income trap. This is because at the heart of the problem is that despite the on-going efforts to improve the drivers of growth, countries at a certain level of development are finding it difficult to make the leap. Avoiding or overcoming the middle-income trap demands more than doing more and/or better of the same. It requires a structural transformation that may appear gradual but path-shifting in its nature. Hence, we aim to take the discussions on the middle-income trap to a more fertile ground by taking a structural perspective, and as the first step of investigation raises the question “where is the trap in the middle-income trap?”

We welcome papers that addresses the above question by seeking to:

1. Identify, test and build usable theories in political economy of development that provides avenue for rigorous investigation of the structural-institutional bottlenecks in the areas of both growth/production and welfare/distribution;
illustrate, trace and evidence institutional resilience - for example, and not limited to the incidences of ‘negative institutional complementarities’ (Schneider 2013), ‘structural inertia’ (Kang 2015), and ‘institutional sclerosis’ - as well as rare cases of path-shifting change in the successful cases (Kang 2010); and

without becoming trapped in the empirical context, take a regional focus on East Asia (Northeast and Southeast Asia) and Latin America, as they are empirically rich sites for exploration where a good mix of successful and ‘at risk’ cases can be found.

We expect that 8-10 papers will be selected, and taken forward for submission as a special journal issue in a leading development studies journal (subject to normal peer-review process).

Further particulars

This workshop is funded by the 2015 British Academy Rising Star Engagement Award, with the aim of facilitating engagement between early career researchers (ECRs) with interest in development theorising with seasoned researchers with experience in development policy.

Both ECRs (within 10 years of the award of the doctorate), and seasoned researchers with policy experience who are able to play a mentoring role, are strongly encouraged to apply. Travel and accommodation support is available.

The 2-day workshop will be organised as follows:
Day 1: Presentation of papers and discussion
Day 2: A round table discussion on the current UK development policy landscape, and pathways of building engagement and impact into research, followed by an evening of public forum with the panel of experts.

Important deadlines and dates

Expressions of interest and abstract submission (500 words): 14 September 2015
Notification of acceptance: 28 September 2015.
Submission of full papers: 1 February 2016
2-day workshop: 24-25 February 2016
Editorial feedback to authors: 14 March 2016
Revised paper submission: 13 June 2016

Please send in expressions of interest/abstracts to Dr Nahee Kang: nahee.kang@kcl.ac.uk

Information about the organiser
Dr Nahee Kang is the recipient of the 2015 British Academy Rising Star Engagement Award. She is a lecturer at the International Development Institute, King’s College London. Her research is on industrial renewal and corporate change with regional focus on East Asia. Her work has been published in Economy & Society, Socio-Economic Review, New Political Economy, and Progress in Development Studies. She is the associate editor for Asian Business & Management. Her past research has been funded by the ESRC and the Cambridge Political Economy Society Trust.

References


