

经济目标的改变与经济发展模型的比较：一个尝试性解释

The Change of Economic Goal and the Model Comparison of Economic

Development: A new theoretical explanation^{*}

Song Bingtao[†]

摘要：发展型国家在经济发展中的表现吸引了众多学者的关注，但为什么只有少数几个社会出现了发展型国家却一直没有得到很好的研究。本文通过分析经济目标对公共产品结构的影响，试图对发展型国家的诞生给出一个尝试性解释。本文提出的一个假设逻辑是，地缘政治条件以及来源于历史经验的意识形态总结决定了经济目标的调整，经济目标的改变导致了发展型国家的诞生，发展型国家提供的公共产品促进了经济发展的起步、确保了市场经济的成功。

Abstract: The role of developmental state in economic development has drawn lots of attentions of economists recently, but why the developmental government just exists in a few societies is open to answer. In this paper, by analyzing the relationship between the economic goal and the structural change of public goods, we conclude that the change of economic goal from the survival pursuit to the pursuit of economic development determines the structural change of public goods and the birth of developmental government, which in turn determines the take-off of economic development and the market economic development. The change of public economic goal is a function of geopolitics and the ideology from its historic experiences.

Key Words: Economic goal, economic development, the structural change of public goods

The industrialization transformation and the modern economic development in undeveloped areas have been a hot topic since 1950s, but neither the economic development in most developing areas, nor development economics in mainstream has attained success (Bardhan, 1993). Indeed, the prevailing development economics neither pose an interpretation to the causes and process of the original industrial revolution in the West, nor uncover the puzzle of the catching-up of developing countries in the East Asia. Naturally, it is impossible to pose a guideline for the

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[†] The Center for Yellow River Civilization and Sustainable Development, Economics School, Henan University, China, 475004, Email: sbingtao@hotmail.com

pragmatists in underdeveloped countries. In this paper, we try to investigate the take-off of economic development from the change of economic activities' goal, which explain the success of those economic developments and the birth of developmental state.

I. A Brief Review of Development Economics

In a recent work, Jomo (2005) stressed that, the economic development is the major concerns of mainstream economists in the very early beginning, for 300 years, most of economists have never deviated from the discussion on economic development, which embodied in the increase of population in the past (Kennedy, 1987), but in the increase of per capita GDP recently (Maddison, 1998).

As the earliest school of economics, Mercantilism focused on the survival of its group members as the goal of its economic activities through the accumulation of bullion, but lead to the nation's prosperity in a short term, and the change of economic activities' goal in an isolated island state—England in 100 years. For the origin of survival competition and the success of the Royal Navy, the economists in the late developing area necessarily emphasized the role of powerful state[‡], the Economic Nationalism became the second most popular school in economics in two most successful catching-up countries, Germany and USA in 19th century, which followed by Japan and other East Asian states soon later, even though the role of protectionists in the rise of USA has been intentionally concealed by some literatures (Jia, 2011).

However, the difference of geopolitics in two groups of nations resulted in the different development of incentive structure. In those countries, such as UK, North America and Australia and New Zealand, who isolated from other political power by sea in a relative long term, the goal of economic activities was changed to maximization of economic utilization in its early stage, which emphasized on the market competition by government, and leads to the prevail of the incentive mechanism of market. In those countries, like Germany and Japan later, who faced great challenge from its neighbors, the goal of economic activities has been sway

[‡] In a popular work, Acemoglu (2005) recently realized the role of power state in development when discussed the case of Africa.

between the group survival and market economy development. Naturally, the economic strategy in the second group of countries emphasized more on defense, and leads to military nationalism unavoidably. The market mechanism, never being accepted as the only way to organize economic resources in second group, has to compete with collective mechanism in incentive of economic activities.

The victory of the first group of countries in WWII brought development economists a misunderstanding on the nature of economic development. It seems that the model of US is the only way, and the discussion on the change of economic goal and incentive mechanism disappears. The modern development economics is only generalized from the Kaldor typical facts, which only existed in the United States after WWII (Barro and Sala-I-Martin, 1995). In virtue of the success of Marshall Plan and the protection of US and NATO, capital and technology become main concern when discuss the success of developed Europe, and the structural transformation become main topics only when the African and Asian cases are discussed. The defense demand and the change of economic goal disappeared in neoclassical development economics after WWII. However, in virtue of the influence of cold war and anti-colonist, the defense has been being the major goal of industrialization and economic activities in those backward areas, even it seemed too difficult to understand for those economists under the umbrella of NATO, who made their efforts to help poor societies to promote industrialization (Rosenstein-Rodan, 1943; Nurkse, 1953; Rostow, 1960).

With the guide of economists from developed areas, the capital and technology have been considered as the major promoter by almost all governments in developing economies. The structural transformation drew only a few attentions (Kuznets, 1955; Lewis, 1955; Chenery, 1960), and the change of economic goal caught no attentions of economists, even Hirschman (1958) had pointed out in 1950s that the modern economic development is at the cost of the destruction of old system, which emphasis on the value of collectivism. The failure of development strategy in 1950-60s made people doubt the function of governments, returning back to neoclassical economics seems the only way to correct the development strategy.

Fortunately, the experience of catching-up in the East Asia and the prevailing of the new institution economics helped to hold the attentions of scholars on the role of governments (Taylor, 1998). The relationship between states and markets became a hot topic in economics again, and the development economics boomed in two ways.

Focusing on the role of governments, Meier pointed out that (Merier, 2001a), appropriate institutions, historical experiences, the context of social capital, the relation between state and market in the process of development, all should be the key variables in the model of development economics. When discussed the contribution of Neo-institutional School, Bardhan (2001) suggested correctly that, the absence of government function in backward countries, the inefficiency of collective actions, and the inability of government in coordinating conflicts among different interest groups are the critical factors. In one word, the role of strong states in development has been stressed (Acemoglu, 2005), the Developmental State's function in providing enough public goods or conditions has been discussed (Johnson, 1982; Evans, 1992, p148), the non-function of the government in poor countries for some historic reasons has been figured out (De Soto, 2000). So Meier (2001b) concluded that, in the future, the role of state, the inner mechanism of government, the process of game in negotiation would be the hot topics in development economics, if we concern mainly on the transformation of economic system (Bardhan, 1998; Taylor, 1998).

On the other hand, some economists put their focus on the survival pursuit of poor, even in a confused way. From the justice of capacity to the justice of result, Sen (1992,1999) stressed that freedom, wealth, education are the end of development, not just the conditions, when most of development economists and international organizations focused their attentions on reducing poverty, inequality in poor countries. Without realizing that the survival warrants of weak in rich countries and in poor is still the major concern of policy makers, many scholars (Bhagwati, 1994; Caplan, 2007) cannot understand the persistent opposite of populace to the free trade repeatedly. Having not predicted the pursuit of the survival goal of poor in pre-modern society, the helpers from outside, especially from modern societies, wonder more on the fact that the help leads to a rise of population, not a reduce of

poverty.

Factually, just for the pursuit of survival goal by poor people, those necessary institutional changes are blocked not only by elite in most developing economies, who enjoy the interest in seeking-rent (Bardhan, 2001), but also by poor people, even the efficiency of market economy and the relationships between markets and governments have become the hot topics in politics and economics recently (Stiglitz, 2004). Only a few economists made it clearly that the transformation of industrialization is a process of modern economic development in which most of people get rid of the constraints of poverty trap or the goal of survival pursuit, and start to pursue a new objective and enjoy a different life (Hayami and Godo, 2005).

Similarly as the rise of Japan and other East Asian economies, a debate on the China's Model repeatedly attracted the attentions of scholars (Zheng, 2009) recently. Even some stressed the Socialism Characteristics of the China model, economists have a clear understanding of so-called China Model from the role of government in the economic development and classed rightly Chinese governments as developmental ones (Yang, 2011; Zheng, 2009), and realized (Justin Lin, 2010) the active role of governments is providing public goods, such as infrastructures. In analyzing the nature of the China Model, Song (2012) emphasize the basic driving function of developmental government in the stage of take-off, among those six growth causes, and investigate the possible mechanism of developmental governments.

However, because the change of economic goal likely is critical to the change of economic institutions, without the discussion on the public economic goal, not only the mainstream growth theorists cannot explain the role of governments, but the interpretation posed by North (1987) in the terms of transaction cost and institutional change also cannot interpret the transformation of governments in the first stage of economic development.

II. A Model of Economic Development and the Structure of Public Goods

Just like North (1981) stressed that the state is the essential base of economic development, because the state defines the structure of property right. However, why

a state changes its ideology (North, 1981, 2005) and defines the structure of property right are still questions to open.

As all known, the change of the ideology or the value system is very difficult, especially in those successful traditional civilizations, in which the old economic system is considered as a tool to protect the interests of rulers and to pursue the survival goal of populace. Generally, in those undeveloped societies, the survival goal of economic activities is combined in the system of ideology and culture. To guide those people in underdeveloped societies to pursue the goal of development, that is, the increase of per capita GDP, not just the rise of population or the goal of survival, is not an easy task. In those societies with a strained geopolitics, selfish elite group, and injustice making decision mechanism, especially in those with a successful history, it has been proved once again a hard work to make people believe that the developmental public goods is more important than defense. Only the demand to survive being met, according to Maslow's theory, the development become an economic goal for populace, the market mechanism begin to incentive most of human economic activities. Additionally, it is a very necessary, but not enough, condition of modern economic development, to assure the subsistence of social members in a long term. In other word, pursuing market boom can not make sure the success of market economic development, just like the 17-18th century Netherlands and the Song China.

Indeed, the structure and decision mechanism of public goods play an important role in the transformation of economic system and the change of economic goal. Not only depend it upon the meet of survival condition, but also on the understanding of the leader of society, or the change of ideology basing on the change of survival condition and other economic development advantages.

In a trial explanation of the role of China's government (Song, 2012), we once construct a simple model of economic development, which shows a typical characteristic of multi-factors determinism of the economic development as a complex comprehensive process. In that model, the improvement of economic efficiency that can bring us the economic development derives from the progress in six areas: *the trades*, in which entrepreneurs guess exactly the preference of

consumers in different spaces, and move the goods from ones, who has a low preference on this goods to other one, who has a high preference on this goods (as a special kind of entrepreneurs, bankers guess the preference of consumers in different times, and move the goods from one time in consumer's life, when consumers have a low preferences on goods, to another time when consumers have a high preferences on goods); *the improvement of transaction technology*, such as the appearance of money and transportation tool, which results in the decrease of transaction cost, then the scope of market is extended to cheap consumers' goods; *the institutional changes*, which also results in the decrease of transaction cost; *the progress of production technology*, Which results in the decrease of production cost; *the modern public economy*, which comes from mechanism changes of public finance, which results in the decrease of transaction cost; and the *utilization of resources and capital*, which results in the replacement of laboring works with the work of energy.

Obviously, the contributions of labor, capital, resources and technology in the modern economic development have been discussed perfectly in the Neo-classical model, and the effect of market institutional changes has been analyzed by the Neo-institutional school, the role of entrepreneurs and institutional changes of public finance are the only two keys in the economic development theory left to analyze. On the one hand, in market economy, the real drivers of economic development are entrepreneurs, who run business, not capitalists, who just seek rents. From the Republic of Holland to the Great Britain and the United States today, the negative relationship between the capital accumulation and the economic growth showed the negative nature of capital again and again (such as the influence of Wall Street in recent years), but the active role of entrepreneurs (such as Bill Gates and Steve Jobs) never changes. Therefore scholars never cease their efforts in discussing the function of entrepreneurs and their relationships with the economic growth (Kirzner, 1985, 1989).

On the other hand, how to start a market economy in a pre-modern society is still a black box. In other words, the birth of developmental state is still a question open to answer in economic development theory.

In fact, to understand the birth of developmental government from the change of public finance, it is very necessary to discuss the change of the economic goal of human beings in economic transformation, at first. As a law of economics, different goals determine the different choice of economic activities by agents. The failure of NIE and Neo-classical economics in explaining the process of economic transformation just comes from their misunderstanding the maximum of income in markets as the only goal of all human economic activities. As a historic fact, before the modern economy becoming a popular event, not only the market economy is not the main part of human economic activities, but the maximum of income is also not the main economic goal of human beings. To make sure the survival of tribes with a collectivism system is almost the major concern of all human elites in the history.

In one word, we argue that the structure of public goods demand, which relies heavily on its historic and geographic politics, determines the institutional change of public economy in the appearance of new state—the developmental government. Therefore, the difficulty of the institutional change of public economy is not only because of old ideology, but also because of the constraint of inert demand structure of public goods. In view of the absolute demand on survival conditions, which consist of the main part of traditional public goods and rely on geopolitics and war technology, it is impossible that most of populace support the institutional change of public economy, especially when the new system likely overlooks those survival conditions. The modern public finance, which can results in the market economic development, therefore, not only experienced a long and hard way to try, but still was doubted by both of elite and poor in developing countries, even when it had succeeded in the Britain.

Indeed, before the first demands of public goods is satisfied completely, the new structure of public goods demands, and the new system is unlikely accepted as the goal of human being in a pre-modern society. Moreover, the coercion and monopoly owned by rulers also block the attempt of new public economic system, so the institutional change of public economy is an event of little probability. As a result, to make sure the group survival, not the maximum of benefits, has been being the main

goal of public economic activities in pre-modern economic system.

Of course, if the goal of public economy and the structure of public goods demands change because of some exogenous factors, the new demand of public goods appears, even become the major part in the structure of public goods demands, such as the conditions of markets, the institutional change of public economy become a possible choice for the elites in pre-modern societies.

The story of economic development above tells us that the role of governments in economic development is determined by the nature of public goods supplied by governments. However, the answers to what kind of public goods is provided and why it is provided lie in its geopolitics and the ideology of rulers, the former is an exogenous variable, but the later is an endogenous one. For this reason, the take-off of economic development is not an easy event, and the difference of factors causing the change of economic goal determines the difference of development models.

III. Comparison of Different Development Models

3.1 The Model of Anglo-Saxon: the British and American Pattern:

Even though contemporary scholars always start their analysis from the Puzzle of China by wondering its divergence from the trajectory of western economic development (Loren Brandt, Debin Ma, and Thomas G. Rawski, 2011; Pomeranz, 2000; Wen, 2006; Shiue, 2002; Perkins, 1967; Lin, 1995; Landes, 2006; Jones, 1990; Fung, 1922; Elvin, 1984), it is not a historic fact. In the human history, the real puzzle is the puzzle of England (Song, 2007), who diverged from the usual path of human civilization.

In fact, not only the North America and most European economies have not succeeded in the take-off of modern economic development in a relative long term, but as the first modern economy (De Vries, and van der Woude, 1997), the Netherlands also did not enjoy the success of the economic transformation (Mokyr, 2000). The success of the Great Britain in the change of economic goal, then in the change of economic system in pre-modern, which resulted in the Industrial Revolution and modern economic development, is the real exception in all history of human being.

However, the puzzle of England at first lies in its geopolitics, not from its advanced ideology or constitutions, like most Whig scholars stressed. Factually, many scholars noted the significance of English geography as an island (Gordon, 2005: 288; Mann, 1986: 478-9). As an island, there is no defense pressure in England when it withdrew from the continent in 15th century; the major demand of English on public goods is changed to coordinate the conflicts inside of group from defense, so that the English nobles had enough time and opportunities to bargain with monarchs in the process of constructing new public economic system. It is the combination of the weak demand on defense and the strong demand on conditions of market economy that determines the direct transformation of the Britain from the primitive military democracy to the modern public finance system, the structural change of public goods finally succeeded in 17th century. The first developmental state in human history appeared in England, and resulted in the success of the first modern economic development, embodied in the increase of the per capita GDP, which jumped out of the Malthusian Trap.

In a successful traditional civilization, to contrast, it is necessary to obey monarchs in order to making sure the survival of group collectively or to seeking the defense goal in the short term. When there is a pressure on the survival of group from outside attacks, the insistence on curbing on governments often means a great of risk in subsistence. Holland in 1600-1700 and Poland in 1300-1500 are typical cases. On the other hand, to give up curbing on governments means likely losing the bargaining mechanism, the end is just the despotism of monarchs, like France and Spain in 16th and 17th century, even Qin China 2000 years ago.

Luckily enough, those beneficial advantages not only existed in the 17th -18th century England, but also in the 19th century America. When the system of market exchange coming from the Continent provided a necessary model for the innovation of public economic institution, the change of public economic goal make it possible that the English military democracy and the tradition of parliaments contributed a framework of exchanging public goods, then the commercialized aristocrats began to attempt a new model of public economic institution and attained a success in a

beneficial international geopolitical environment, first in the Britain, then in the North America.

Being similar to the system of negotiation in markets, the motivation and drive of the quasi-market system of negotiation between taxpayers and governments is the base of the later structural adjustment of public goods and the improvement of the efficiency of public finance; however, most important is the change of economic goal in the idea of most people at first.

3.2 The Model of Catching-up: European Continent, Japan and Four Little Dragons

The second so-called miracle is the rise of Japan and the Four Little Dragon in Asia soon later. Even the rise of Japan is almost at the same time with the modern economic development in European Continent, with the misunderstanding of the role of culture and traditional polity, most of attentions of scholars in the West focused only on the Miracle from the East in 1970-80s. It seems that only the success of European is predictable and reasonable.

However, that the Japan or the East Asia got on the path of take-off resulted from the same change of economic goal, and even from a same reason. Before WWII, with the similar tradition of survival, both of Japan and European Continent followed a same way of military nationalism with the influence of economic nationalism, which is the extension of survival competition with advanced technology. Just after WWII, under the same protection umbrella by USA and NATO, the change of public economic goal appeared, and resulted in the success of developmental state. Even there is a willingness difference between the west Europe and the east Asia to accept the change of economic goal, the introduction and establishment of new public finance system follow the guide of USA did success in both of two areas, so that they can catch-up successfully the British and the America in a term of just 20 or 30 years.

Indeed, since 1970s and 1980s, the explanation of the success of the East Asian in terms of market system determinism has been being the major argument of the mainstream economics,[§] even some economists insist on the importance of

[§] See Wade(1990) refer to Patrick,1977; Chen,1979;Aikman,1986;Milton&Friedman,1980; Henderson,1983; Hosomi and Okumura, 1982; Fei,1983.

governments in the economic development of the East Asia. The reason why the view of government determinism has not yet convinced most of readers is that (Wade, 1990) they stressed too much the special function of government in the East Asia and the role of informal institutions, which derives from their special culture and traditions.

Without the knowledge that the absence of an change of economic goal and public finance system is the real reason of the failure of most developing countries in the process of economic development, economists always confuse the should-be function of governments, with the real outcome of governments' performance because of the failure, the inability, unwillingness, and even the rent-seeking of politicians in developing governments.

Indeed, the success of the governments in East Asia can not make sure that a government is a promoter of economic development, and similarly, the failure of those governments in South America also cannot simply prove that a government is an obstruction. What these cases can tell us is just that the role of government should not be overlooked in discussing the causes of economic development, and the change of public economic goal is a key determinant in economic development. Of course, the ability and willingness of a developmental government in providing public goods, which depend upon the structure and mechanism of public finance, are the same important prerequisites.

3.3 A Model in the Future: the Case of China

In virtue of the big difference between China and the west in culture and polity, and because of the existence of the puzzle of China in a long term, the rise of China in terms of economy, not the success of China in economic development, drew a great attention of public in the world (Ramo, 2004), and was termed as a model or miracle of economic development too early (Zheng, 2009), with some complex intentions. Indeed, it is too early to claim a success of China in modern economic development (Xu, 2011), even China has enjoyed a continued economic growth in 30 years, which is very similar with the case of Japan 30 years ago in terms of growth rate.

Undoubtedly, the change of economic goal is also the first driver of economic growth in China. With the exact understanding of international geopolitics in 1970s

and the right realization of the failure in 1950-60s in pursuing the survival economic goal with traditional system, the elite of China lead by Deng Xiaoping tried their best efforts to follow the successful experience of the East Asia, that is, to change the goal from defense to economic development. Even though too many regulations and centralized controls by governments in China still obstruct the private businesses, the willingness and the ability of central government to supply developmental public goods make it to be a developmental state. With the ability of central government to exert unified sovereignty, which is emphasized respectively by Acemoglu (2005, 2008) with the case of today Africa and Epstein (2000) with the case of Europe in the late middle ages, China efficiently provides most of the important public goods for market economic activities through imitating the successful cases, such as the protection of property rights and the expansion of the overseas market. From 1993, we observed a trend of policy pushed by the central government of China to establish market economic systems and to expand the market space for Chinese companies in all over the world; the striking example is the entry of China into WTO.

However, there is still a huge space in the improvement of the efficiency of government to supply appropriate public goods to market economic development in China in the future, because there is no any mechanism of negotiation between entrepreneurs and governments to show the preferences and the pressure of entrepreneurs on structural change of public goods. Indeed, the developmental state is not necessarily a democratic one; to contrast, the repeated failure of the South America suggests a same conclusion that the democratic polity is not necessarily developmental governments.

To make sure the efficiency of public finance, as all known, it is necessary to control governments by the buyers of public goods in some ways, but the buyers are not all people. Therefore, it is not necessary to establish a real democratic polity—all decisions in public economy are made by all people with suffrages, if our main goal is just to pursue the success of economic development. However, such a nondemocratic political structure obviously make it impossible to satisfy the masses or their representatives, especially when the democracy has been a modern religion, even the

delay of democracy in the first stage of economic development is a common experience of those successful economies in 19th century. On the other hand, the unwillingness to wait for a long time and the unwillingness to bear the blame of blocking democracy have resulted in a prevailing failure of economic development in lots of developing areas. Therefore, as a case of delaying democracy, the question whether or not China will enjoy a success and whether or not the case of China is a typical model are left to be discussed in the future.

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