

Ha-Joon Chang. *Kicking Away the Ladder: Development Strategy in Historical Perspective*. London, Anthem Press, 2002. iv+187pp.

Ha-Joon Chang's book *Kicking Away the Ladder* represents an important addition to the growing body of literature which engages critically with the neoliberal approach to development, promoted most ardently by the International Financial Institutions (IFIs) and the World Trade Organization (WTO). The central puzzle of the book is the simple yet intriguing question of 'how did the rich countries *really* become rich?' (p.1). In addressing this question, Chang manages to cover an impressive number of country cases and a wide scope of development policy, resorting to the inductive historical method. Despite the relative brevity of the book, Chang comprehensively documents the vast array of state interventionist measures that the 'now-developed countries' (NDCs) have used in their own quest for development, and convincingly captures the protectionist policies pursued by the NDCs in their early stages of development.

However, Chang's interest in the development strategies pursued by the NDCs in the past is not purely historical but more importantly political. He documents how the NDCs did not pursue the kind of neoliberal 'sound macroeconomic and structural policies' when climbing the ladder of economic success that they, today, are prescribing to developing countries, through structural adjustment policies overseen by the World Bank and the International Monetary Fund (IMF). Paradoxically, NDCs are kicking away the ladder that they themselves have used in climbing the summit of economic success. In conclusion, Chang suggests that the 'bad policies' of industry protection and state intervention that most NDCs used so effectively when they themselves were developing should at least be allowed, if not actively encouraged by developed countries and the development institutions that they control (p.140).

The book contains four chapters. The first chapter introduces the topic and develops the overall argument. Chapters 2 and 3 provide the empirical flesh of the investigation and will be discussed in more detail below, while the fourth chapter concludes with lessons for the present. In the second chapter, the investigation turns to the nature of industrial, trade and technology policy applied by the NDCs during their early stages of develop-

ment, ranging from fourteenth century England all the way to the recent success of the East Asian Tiger States. What might come as a surprise to many readers is that Great Britain apparently has not been the *laissez-faire* poster child of the nineteenth century as described by conventional historical accounts, but in fact has meddled more with its economy than 'interventionist' France or Germany.

Chang painstakingly documents how *all* of today's developed countries have used highly interventionist industrial, trade, and technology policies to promote economic development. Prominent examples of such interventionist policies include tariffs on trade, protection of infant industries, business subsidies, poaching of highly skilled and knowledgeable workers, and the theft of intellectual property. While these interventionist policy tools might have become more variegated and complex (but possibly also more effective) over the course of history, the general pattern of state intervention has nevertheless remained in place.

In the third chapter, Chang contemplates the relationship between political institutions and economic development, a classical question that has haunted generations of development scholars. While until recently the development community was only marginally concerned with political structures, 'good governance' has become a central concern of most development institutions over the course of the 1990s, and political conditionalities have been increasingly attached to concessional finance. Chang questions this practice and suggests that most of the institutions that are currently recommended to developing countries as part of the 'good governance' package were in fact the results, rather than the causes, of economic development of the NDCs. As in the previous chapter, it is argued that IFI policy advice might, in fact, be counter-productive as 'the currently dominant view that there is one single set of 'best practice' institutions which everyone should adopt is highly problematic' (p.130). The main problem with this view is that setting up 'good institutions' might be too demanding for developing countries in terms of their resources and could lead to the draining of resources from other more important areas. Moreover, Chang maintains that today's developing countries do already portray much higher levels of institutional development than NDCs at similar stages of their economic development (p.120).

Overall, Chang is to be commended for this wide-ranging

study, which represents a welcome and much-needed addition to the development literature. However, there are also a number of omissions and shortcomings. While Chang presents a comprehensive synthesis of some of the historical literature on economic development, his book arguably lacks theoretical originality. Chang does not provide a novel theoretical insight in the book that goes beyond the strikingly similar argument that has been developed in the early 1980s by the two German scholars, Ulrich Menzel and Dieter Senghaas. Chang is aware of Senghaas' work and claims to be more comprehensive than him, but only references one out of a number of books that Senghaas published on development strategy in historical perspective.

In addition, Chang can be criticized for his superficial treatment of some of his country cases. It is questionable whether conclusive evidence about the historical development of a country can be produced in less than one page, as is the case in his analysis of Belgium and Switzerland. What is even more problematic is that the book does not seriously investigate the various channels and mechanisms through which trade policy affects economic growth. As critics have been quick to point out, a correlation between protectionist policies and economic growth does not prove that protectionist policies are the cause of economic growth. Perhaps, the success of the NDCs materialized despite the distortions and inefficiencies associated with interventionist policies, the well-known argument against protectionism put forth by neoliberals. To insulate himself from this criticism, Chang could have undertaken a counter-factual analysis to determine the magnitude of benefits and costs of infant industry policy and to discount other factors emphasized by contending theories of development.

Finally, and most importantly, Chang disregards the role that colonialism and imperialism (in the form of exploitation, plunder, and theft of resources) have played in the development of nineteenth century Europe. This is not a small oversight, given that some developing countries have transferred substantial amounts of their national wealth to imperial powers during the colonial period. This oversight is linked to the way in which Chang apolitically conceptualizes development as a technical process that simply requires the right policies, without consideration for (international and domestic) power relations that lie at the heart of the development process.

Undoubtedly, *Kicking Away the Ladder* is a must-read for anybody interested in development strategy and will prove to be a significant contribution to the development literature. At the same time, it will also provide new intellectual ammunition to those critics of the IFIs who are uncomfortable with the neoliberal policy advice given by the World Bank and the IMF over the last two decades. Finally, because of its accessibility and clear language, the book could also be used in the classroom and will be of interest to non-academic readers intrigued by development questions.

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