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## **Social and Political Aspects of Development: Some Thoughts on the Viability of the “Asian and Pacific Model”**

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### **Introduction**

There seems to be a large measure of consensus, at least among many development economists in Japan, and perhaps over the world, about certain features of economic growth that has been taking place in the Asian and Pacific region, or the Western Pacific region, as it is sometimes called, in recent years. They usually stress that, while the NIEs have been heavily dependent so far on the import from Japan and the export to the U.S.A., they have followed the example of Japan and started importing from other developing countries in Asia, notably the ASEAN countries, and also investing in those countries, both on a large scale. As the result, this Asian and Pacific region, or, the Western Pacific region, consisting of Japan, NIEs, ASEAN countries, and hopefully also China, is already and will continue to be the vital force of traction for the world economy. This theory will be referred to as the Asian and Pacific model here. Given the remarkable economic performance of those countries, and of the NIEs in particular, it is certainly not easy to refute this theory.

However, does it mean that the pattern of growth which is observable in this region can also serve as a role model for other developing countries? There seems to be a number of points which should be clarified before the viability of the Asian and Pacific model can be accepted for more or less the whole of the third world. This paper is going to address itself to three of those points.

## I. On the “Development Dictatorship”

It is widely recognized that one of the most important factors which have contributed to the high economic growth of the countries in the Asian and Pacific region was their political system. The first point that comes easily to our mind, therefore, is whether the political system which has sustained the rapid economic growth in most of the NIEs and some of the ASEAN countries is valid on its own and also for other countries.

There are many who believe that in order to ensure a proper distribution of resources they had no other choice but to have a strong government, a regime of an authoritarian nature, a “development dictatorship.” Some of them even go as far as to suggest that when the level of growth reaches a certain point the authoritarian regime is bound to dissolve itself into a more democratic one, and this is what we are actually witnessing in some Asian countries. In this view NIEs are not only a good example of rapid growth but of democratization as well. While there can be no two opinions as to the need for a proper distribution of resources, we should be more cautious in accepting the rest of the above thesis.

Let us digress here a little and look at the long list of dictatorial governments that have collapsed during the last decade, which is far from a complete list.

- Iran, revolution and the Shah’s abdication, 1979
- Zimbabwe, Independence, 1980
- Turkey, electoral defeat of the party backed by the military that had seized power in a coup, 1983
- the Philippines, Presidential election, 1986
- South Korea, Presidential election, 1987
- Chile, referendum, 1988
- Pakistan, election and transfer to the civil government, 1988
- Brazil, Presidential election, 1989
- Taiwan, election, 1989
- Chile, Presidential election, 1989
- Eastern Europe, 1989
- South Africa, release of Nelson Mandela, 1990, which is a promising sign for the future.
- Namibia, Independence, 1990
- Myanmar, election, 1990
- Nepal, a new constitution with the king as nominal head, 1990

In addition to those, one hears (at the time of this symposium) that the wind of change is also blowing in Benin, Haiti, and more recently in Bangladesh.

The natural question that would follow is whether those governments which went out did so on their own, or whether they were opposed by the people and were ultimately thrown out by them. It is difficult to escape the conclusion that on the whole they were thrown out by the people, although some of them tried to stick

and suppress the people's movement till the end, and some, including those in the Eastern Europe other than Rumania, gave way peacefully in the final stage taking notice of the writing on the wall. In any case there was resistance everywhere, and it is apparent that, without it, they would have stayed there much longer.

Japan was also a case of development dictatorship, which it went through during the decades following the Meiji Restoration of 1867. It took a defeat in a total war to have the Fundamental Rights of the people written in the Constitution. Those were the decades when, as R.P. Dore put it, there was no ILO, no Radio Moscow or Radio Peking, and there was no international support to the Jiyu-Minken Undo of the 1880s — the greatest wave of the people's movement in the pre-World War II Japan.

Unlike the case of Japan, however, the developing countries today are in an entirely different world, where the expectations of the people are much higher, and much more amount of information is available. Under the circumstances, it is far more difficult to suppress the legitimate demands of the people.

A further question is whether the authoritarian governments were there with the consent of the people who felt that such a type of government is inevitable to assure a proper distribution of resources. It is difficult to answer in the affirmative to this question. Many of those governments, which installed themselves in the seat of power by a military coup, violent or otherwise, were strongly disliked by the people from the outset. People were not allowed to have a voice or a vote in the course of events. In some countries the subsequent government had to openly apologize to the people for what had happened before. It may be suggested that if the people had had an opportunity to foresee what lay ahead, they would not have chosen that particular path even if it would bring economic prosperity to them. The human cost of development has been too great to bear.

It is therefore difficult to agree with the view that dictatorship will transform itself into a democratic system, as if automatically, once the economic growth reaches a certain level. There is no evidence to suggest that this is the law, as we survey the fairly large number of examples from all over the world. Even if such a transformation does take place, it is usually after a long and painful period of people's movement for democracy, and after an enormous human cost has been paid.

It is under the light of those factors, then, that we have to consider the viability of the Asian and Pacific model of growth from the point of its applicability to other developing countries. The answer is clear. The time for dictatorship is over. It does not fit in with this age when we are approaching the 21st century. It is no longer allowed to say that "all is well that ends well." Therefore development should take place in a different political set-up in order to ensure that people have a say in the broad direction of events and can be brought to conviction, if and when necessary, that they have to suffer in material terms, and in material terms only, until things are better.

## II. Unsustainability of Economic Growth

The second point that we have to take into account is whether it is still possible to combine economic growth with the preservation of environment. If it is not, we would have to think of a different approach to development.

Here a reference may be made to the records of the past two international symposia held by the IDE at the same place in 1988 and 1989, respectively.

On both occasions there was almost an overwhelming support for the Asian and Pacific growth model as described above. But it was possible to hear some voices raised to express caution about unconditionally accepting this scenario. One was by Snoh Unakul of Thailand, who told his audience in 1988 that if the image of the NIEs (the then NICs) was one of simply achieving high income level through industrialization, it would not be the objective of his country to become a NIC, since it did not represent a higher quality of life, which was better balanced and closer to nature. Thailand would therefore aim at becoming a NAIC, or even a NAISC, a Thai version of NICs.

The other was that of I.J. Azis from Indonesia, who said in his paper in 1989 that, although the Indonesian economy was growing, the natural resources of the country was being fast depleted because of increasing export, thus leading to a lower level of welfare. He therefore strongly made the case for sustainable development.

The present writer has been deeply impressed by those remarks, because they, and they were by no means the only examples, seemed to show that economists themselves, and in the former case an economist-cum-administrator, are coming around to the idea that development cannot be measured in terms of per capita growth alone any more, and if it is to be adequately measured and evaluated, some other dimensions also must come into the picture.

It can be safely assumed from the context of his paper that what Azis had in mind when he referred to the depletion of resources was mainly the forest, which must be tropical rain forest (or simply rain forest) in the case of Indonesia.

There is a widely-held consensus that the rain forest is fast disappearing in all the three major centres of its concentration, namely, the Amazon, Southeast Asia, and West Africa. In the four larger ASEAN countries, according to what M.A. McDowell tells us, Thailand is already an importer of timber — which seems to explain why timber processing does not have its place in her agro-industrial programme —, the Philippines may have to start importing soon, the high quality timber in Sabah and Sarawak will be no more by 1990, which leaves only the outer islands of Indonesia, but timber cutting is proceeding rapidly also in those islands.

It is not the rain forest alone which is going. The forest of India, for instance, is mostly not rain forest. Still if we work out how fast it is disappearing, on the basis of the satellite data, we will come to the conclusion that India is losing net one million hectares of forest every year and will be completely deforested by

around 2020. It is small wonder, then, that one comes across with the word “desertification” in India’s Seventh Five Year Plan (1985 – 1990). India’s timber consumption is entirely domestic.

There are conflicting views as to the causes of deforestation. However, it may be safe to say that the traditional shifting cultivation does not do much harm to the natural environment. Rather the shifting cultivators and other forest dwellers seem to be among the victims of deteriorating environmental condition. G.M. Bautista, a Philippine economist, is calling our attention to a very interesting division of opinion on the causes of deforestation in his country. On the one hand, there are some, including international organizations like FAO, who stress that the forest dwellers and the immigrant peasants from the plains are responsible. But he points out that there are big license holders who divide up the forested area among themselves and have free access to the resources there. Incidentally, he tells us that the natural forest in his country will completely disappear by 1993.

It seems that export of timber, construction of large scale projects, domestic fuel consumption, overgrazing, and the internal immigration of people into the forested area, sometimes sponsored by the international financing bodies, are causing such a rapid disappearance of forest. Some of these may be considered the cost of growth. The question, therefore, is whether the cost has been unbearably high, in other words, whether the development has been sustainable.

Whoever is immediately responsible, deforestation, together with its inevitable accompanying adverse effects, are causing extremely serious damages to the economies concerned. Among those damages one can count — and it is again a long list.

- loss of a very important source of domestic fuel, which means so much more demand for animal products and agricultural wastes,
- loss of a similarly important source of fodder,
- erosion of soil by the loss of protection, which will be disastrous to agriculture,
- water being carried to the river straightaway, causing flood as well as drought afterwards,
- siltation of rivers, dams, and ports,
- rising temperature due to less evaporation,
- loss of food, water, medicine, and sometimes everything for forest dwellers, many of whom belong to minorities,
- loss of an ecosystem specific to the locality, which includes both organisms and abiotic environment.

In view of those grave consequences, there is no doubt that deforestation and its accompanying effects are the most disastrous environmental deterioration of the world today. But they are by no means all of the deterioration that is taking place now. The environmental situation is worsening in most of the third world countries today. When one of the Japanese monthly publications of the IDE (*Ajiken News*) made its first issue of this year (No. 109) the Special Number on the Environmental Problems of the Third World, all the 27 country case studies in the issue, which covered most of the countries in Asia, reported worsening situation, with the single exception of Singapore.

Under the circumstances, it is hard to see how the countries in the Asian and Pacific region can move ahead without seriously adjusting their course to the changing environment. It may be said that Japan is not an exception to this, where an effort is being made, for instance, to reduce the amount of pesticides spread in the golf links or to limit the conversion of forested area into recreational places.

More importantly in the present context, it is even harder to imagine how the countries outside can look to this region as the model, taking note of the enormous environmental cost that some of the countries here have had to bear in order to pay the import bill, to build large engineering-oriented projects or to ease population pressures.

### **III. Proximity to U.S.A. and Japan**

The third point that has to be taken into account when evaluating the Asian and Pacific model and considering its applicability to the rest of the third world is the political, economic and sometimes physical proximity of the countries in the region both to the U.S.A. and Japan, which does not easily apply to many others.

This is certainly not the place nor the time to discuss the foreign policies of either Japan or the U.S.A. But it may not be entirely out of context to recall that, from about the mid-1960s, the centre of gravity of Japan's foreign policy was drawn to the countries nearer Japan, roughly corresponding to the Asian and Pacific region. It may be said that at least three events marked this shift — the start of the American bombing of North Vietnam, the conclusion of the Treaty between Japan and South Korea, and the change of government in Indonesia, all taking place one after another in quick succession in 1965.

It was the conclusion of the Treaty with South Korea which is the most relevant for the present purpose. Concluded after a long and not always uneventful process of negotiation, it formally restored the normal diplomatic relations between the two countries, which paved the way for the official development assistance and private investment from Japan flowing into South Korea and for the opening of the Japanese market for the goods made in Korea. It may be said that the South Korean development since then can be seen within the Japan-Korea-U.S. triangle.

This is not to say that everything has passed harmoniously since then between the two countries. An opinion survey conducted in South Korea in May 1988 would be a reminder to this. Asked whether they liked Japan or not, only 14% of the respondents said "yes," and no less than 51% said "no." In spite of this, 50% replied that they thought more high technology should be imported from Japan. Note the unmistakable ambivalence.

It is by no means confined to South Korea that we find a similar triangle, and perhaps a similar ambivalence as well. If and when a country is integrated in a triangle with Japan and the U.S., which is both political and economic in nature, that country has been able to find a ready market for its imports and exports. This is how the region itself has taken the present shape in which the NIEs are

playing an increasingly greater role and the ASEAN has formed a sub-group by themselves. The present task is said to be whether as big a country as China can be a part of it.

Asia seemed to be more or less homogenous at the time of the Afro-Asian (Bandung) Conference of 1955, although this is not to deny that some significant difference in initial conditions did exist among the countries, notably in the yield per hectare of staple crops. But it is no longer considered to be so. Even then, many developing countries have deliberately chosen an independent path in their stand towards world politics, keeping distance from the super-powers. Many of them are organized in the Non-aligned Movement, which is still very much of a force in the world today, although it is facing an unprecedented crisis with the Iraqi invasion of Kuwait and with Yugoslavia, the country which hosted the latest Non-aligned Summit last year (1989), trying hard to keep it from disintegration. All this suggests that the political stance of a country does count.

Even apart from the considerations of world politics, it is difficult to see how the countries outside the Asian and Pacific region could be easily integrated into it. In other words it is not easy to imagine that the region will geographically keep expanding to integrate others into it.

Perhaps the case of Egypt may illustrate this.

G.A. Amin, an Egyptian economist, read a paper at an IDE Workshop on the Middle East toward the end of 1986. He said that there are a number of imbalances in the Egyptian economy. Decay of agriculture, import of food, decline in the oil prices and in the remittance from Egyptians overseas, growing debt and financial deficit, inflation, and swelling up of the service industries are among them. Both the inward-looking and outward-looking strategies are being debated as the possible means of dealing with those imbalances. But time is not opportune for the export-oriented growth and the East Asian model would not be a valid one. Therefore, he thinks, Egypt should aim at substitution of imports, self-sufficiency in food, mobilization of domestic savings, cut in investment, and upgrading labour productivity.

Egypt is a country known for its closeness to the U.S. since the Camp David of September 1978 onwards, and is a major recipient of American economic as well as military aid in recent years. Still that is not enough to make her close enough to the U.S. economically to adopt an export-oriented growth policy with the American market in mind.

It would be possible to cite many more instances like this, which seem to suggest that the Asian and Pacific model may not be able to expand geographically to integrate other countries not in its present sphere. It may not be widely off the mark to point out here that the drastic change in Eastern Europe and the coming together of the EC countries are among the additional factors to be taken into account.

It has been pointed out so far that the "development dictatorship" would no longer be valid, the environmental deterioration is proceeding at such a speed that

a change in outlook is called for to remedy it, and the present Asian and Pacific model may have difficulty in expanding to other developing countries. All these three seem to suggest that there has to be a different approach to development, which may be called an "alternative path." This should be meant in the first place for those countries which are outside the Asian and Pacific region, but it would also be valid for some of the countries in the region itself.

The remaining task is to draw a rough sketch of this path.

#### **IV. Towards an Alternative Path**

The alternative, and sustainable, path of development may be said to include the following measures. These are placed here more or less as a whole, each item depending on the other.

(1) Environmental condition must be preserved, particularly the forest, through restraint on large-scale cutting of trees and reforestation, so that the demand for fuel and fodder can be met, water can be controlled, soil can be preserved, and the ecosystem can be maintained.

(2) Experiment may be made of a common cattleyard, so that overgrazing be stopped.

(3) In some countries agrarian reform seems to be called for to keep people from encroaching upon the forested area.

(4) In many countries it is necessary to reduce the present rate of population growth to ensure the adequate supply of food, fuel and fodder and to keep the increase in labour force under control. This means to lower the birth rate or the total fertility rate, by means of public health and education.

(5) In order to lower the birth rate it is crucial to lower the death rate, particularly the infant mortality rate. In some countries, while the death rate has considerably come down, the infant mortality rate has not done so to the same extent. It takes vaccination, safe drinking water, food and fuel to achieve this. It is not just a matter of survival. It is a matter of having a healthy population.

(6) In the field of education emphasis will be on women and adults. At the same time, the whole system be changed in many countries to have more students in science, agriculture, and technology than humanities, which will prepare the students for employment and for technological transfer.

(7) Such industries as are linked to agriculture and forestry or designed to support them, will be encouraged, which will be on the average labour-intensive. A context is visualized where forestry, agriculture, animal husbandry, industry, public health and education are supporting each other, making a virtuous circle.

(8) A democratic political set-up is necessary to ensure that people's voice will be listened to.

(9) Much has been said about the debt and the prices of the primary products. But there are a lot more that the international community might be able to do to help. Some understanding should be reached, for example, to adjust the con-

sumption of certain natural resources such as timber. Something should be done collectively to prevent the warm house effect, which is a very serious potential threat for many countries in the third world. Also it is time that the developed countries give a hand in order for the developing countries to de-militarize, and there are a number of ways of doing this.

In order to arrive at a proper evaluation of the present, it is all-important to have more, and perhaps much more, interaction among different approaches to development than before. To conclude, therefore, may I humbly hope that this symposium is going to be one of those arenas of interaction.

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