

TOWARDS AN INTELLECTUAL FORUM IN THE ASIA PACIFIC REGION

Some Preliminary Reflections

by

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In considering the nature and scope of an Asian intellectual Forum it is important to avoid duplicating the activities of the Asia Society's annual Williamsburg Meetings in which International House of Japan has been deeply involved. Those meetings have typically covered political, economic and strategic trends and events in the Pacific region.

This suggests that there is space for a network, or networks, of Asian intellectuals concerned with the social and cultural problems of their own nations as well with those of the Asia-Pacific region.

Is there a need for such a forum? My answer is yes. There is even an urgent need.

Global interdependence has a special meaning for the Asia-Pacific region with its many very diverse races, religions, cultures, ideologies and histories. Peaceful coexistence, economic cooperation and progress will not only require a great deal more mutual understanding of each other's legitimate interests and aspirations than exist at present, but will also require a deeper understanding of and sensitivity to all the religions, cultures, worldviews, values and customs in the region.

In addition, given the likelihood that this dynamic region will also see considerable and vigorous economic competition, a great deal needs to be done in the way of mutual confidence building towards overcoming the memory of the many conflicts within the region that have left a legacy of lingering fears and distrust, if political conflicts are to be avoided.

All the countries in the region are wrestling with similar social problems. In the demographic field, for instance: problems of population growth rate, the continued lowering of the median age, the ageing of the population, and population distribution problems. Then there is the problem of the organisation and management of welfare systems that are economically viable and consonant with prevailing values. There is the persistent problem of poverty and unemployment in many of the populous countries in the region. Then there is the field of rural development, the many failures of which constitute a challenge to come up with better approaches. There are also the social and psychological problems attendant to the

urbanisation process and human settlement., to which failure in rural development has contributed. Also the problem of the socialization of a large, often alienated, youth cohort into the life of the nation. Then there are the special problems of the indigenous peoples or tribes and other vulnerable groups; like the streetchildren, women and refugees. The human cost of development, especially for those at the bottom of society is a problem that vexes all developing countries and is one that deserves the highest priority.

The struggle against environmental degradation, as well as the efforts to formulate economic strategies for sustainable development constitute another set of urgent problems which the countries in the region have in common.

These countries also share many educational problems. Some of these have to do with the dilemma of quantity versus quality. Others relate to the adjustments needed in relation to a rapidly changing labor market as well as to the very rapid advances in science and technology.

The importance of science and technology and of R and D as a strategic asset to the countries in the region is well recognized. How to enhance that capability is a problem many of these countries are still wrestling with. How to reconcile the scientific culture with the basic tenets of their own traditional culture and how to deal with the social and ethical implications of science and technology, in each of their cultures, constitute another set of major problems of common concern

The 40 years of development experience in most of the countries of the region has made many realize the centrality of culture as the search for meaning in their rapidly changing societies, and as a strategy for the future. For all are confronted by the question of how to maintain their cultural identity and their national language in the face of powerful homogenizing forces worldwide.. The same experience has shown how difficult is the effort to nurture the political, economic and social conditions for freedom, democracy and human rights.

All the countries in the region would benefit from a free exchange of experiences in these several fields mentioned above. In addition such a forum would over the years develop bonds of mutual respect and trust between the individuals participating in the forum, providing the human grounds on which international understanding and regional cooperation can be firmly based. While it is some sense of a common future that people in the region rightly share, there need to be little doubt that as the forum

universities, and liberals of many hues nevertheless constituted for quite some time, though no longer, the bulk of foreign aid's domestic constituencies. Development assistance became part of the overall foreign assistance appropriation together with military assistance and so-called economic support, leading to considerable distortions of the concept of development assistance as well as to a loss of credibility.

Secondly, in the course of the last 40 years, which include the 2 officially designated development decades, it became clear how much development is bound up with other, altogether more powerful historical events and processes at the national, sub-national and international levels. This period has witnessed the release of violent political, ethnic and religious passions, major political convulsions and has even seen the destruction of the social fabric of whole societies. : about 150 wars mainly fought in the developing world, have killed more people than the number of victims of World War II.

The Iranian revolution showed the danger of a development strategy based on too narrow a social base, ignoring important social and cultural dimensions and segments of the population.

We have, I believe, also come to realize how socially and politically destabilizing the development process really is, as well as how important it is.

The rise in violent ethnic and religious conflict, made possible among others by the inevitable unevenness of the development process, coupled with the easy availability of arms and the profound alienation of the young from the prevailing political systems of whatever ideological orientation, are examples of the kind of fragmentation of the polity that seems to be a constant risk attendant to the development effort. The emergence of so many new popular movements, unconnected and often hostile to the formal political institutions and processes of the country are another manifestation of that alienation. At the same time they also show the growing inadequacy of the political systems to absorb and integrate the new actors that have come on the scene, and more generally the large youth-cohorts that face the prospect of continuous unemployment without much hope.

Now we are faced with the urban crisis of the Third World, symbol of our massive failure in rural development, including the inadequacy of our concepts of appropriate technology.

And finally we are confronted with the dangerous depletion of much of our natural resource base and the damage done - in the name of development - to our own environment as well as to the globe's life-supporting systems in general.

We have in this period also seen the manifestations of powerful reactions against modernity, as well as the growth of authoritarian power that some development theorists saw as an inevitable condition for rapid economic development, as well as its collapse. We are also seeing how difficult it is for those countries that have gone through a process of redemocratisation to maintain their viability in the face of the indifference of industrial countries to the economic problems these countries inherited from their hated previous regimes.

The question we have to ask ourselves is : what do these problems have to do with development, or with any particular development strategy? And what has foreign aid had to do with this?

One is tempted to pursue this line of questioning. I think we should resist this on this occasion, although I believe that these phenomena should be part of any research agenda on problems of development and foreign assistance, in order that we can at some point later draw the appropriate lessons. But I thought I should at least mention some of these phenomena as they constitute forces and problems that have impacted heavily on the development effort, irrespective of whether or not some of them have been called forth by the development effort itself.

Let me, before I go any further, and to avoid any misunderstanding, that just as much as I am aware of the shortcomings in our development efforts, I am equally aware of the gains the developing countries have made in these past 40 years.

In the fifties and sixties and early seventies they experienced far higher growth rates than the industrialised countries did in their own early periods of growth. A number of them have now moved from dire poverty into the range of the comfortably middle class. Outside the strictly economic sphere, we can point to the dramatic reduction of infant mortality rates and the extension of life spans in many countries; to the slower but still marked reduction of fertility rates. We should not forget, even as we confront the problem of too rapid population growth, that this growth is based on a reduction of premature death.

It is only when measured against the remaining and growing needs of the world's poor majority that the achievements of post-war development disappoint. For the development effort has not succeeded in solving the problem of international poverty, nor has it succeeded in overcoming the related issue of structural dualism worldwide, running like a fissure across the surface of the globe with the kind of tensions and pressures that one associates with tectonic plates waiting to collide.

In any case in their preoccupation with development the theoreticians and

practitioners in donor and receiving countries alike did generally not pay too much attention to the rapid changes that were taking place at the same time in the international environment. The emergence of new major economic powercenters, West Germany and Japan, and later on the rise of the NIC's in East Asia and Latin America have radically changed the pattern of competitiveness among the major economic powers.

The excessive cost of the arms race and of maintaining worldwide military and political commitments, and the fact that many of today's political conflicts in various parts of the world have proven to be not amenable to military solutions, are beginning to force both superpowers to review their security concepts and strategies worldwide, in order to bring them in line with their economic capacities, and to address the economic and social problems besetting the domestic base of their military and economic strength.

As to the Western industrial countries, they will have to try to overcome the serious economic and financial imbalances between them through a much more intrusive and comprehensive monetary and fiscal policy coordination.

In this connection it is encouraging to note that the OECD countries seem to have come to realize that the resumption of world economic growth cannot be achieved by overcoming the imbalances among themselves alone, but will require the resumption of economic growth in the developing countries as well. If no adequate action is taken along these lines we may well see, as hypothesized by Prince Claus of the Netherlands, at the recent worldconference of the SID (Society for International Development) in NewDelhi that eventually 8 major economic blocs might emerge: The US, Canada and Mexico linked together in a free trade system; an expanded European Community, a South American bloc, Comecon, ASEAN, and three single major economic powers, Japan, India and China, with the exclusion of the poorer countries, who are bound to suffer. Prince Claus expressed the hope that if this were to happen these major economic centers would be able to withstand the powerful autarkic tendencies that would inevitably emerge in this process of regional economic integration. All this makes it likely that there will be important shifts in the distribution of power in the world. It is also likely that the rise of regional powers will bring with their own sets of conflicts in its wake.

There are also the changes in the international division of labor brought about by the unevenness of the geographical spread of scientific and technological advances. The Third Industrial Revolution involving primarily the fields of biotechnology, micro-electronics and materials technology,

has led to new products, new materials, replacing many commodities on the worldmarket - to the detriment of many developing countries-, new design and production methods, thereby greatly enhancing productivity of those countries that had the capability to use these new technologies. Improved communicationstechnology too has contributed to this increase in productivity. It has consequently widened the gulf between North and South, and the rich and the poor within the South. In addition the poverty gap has now also become the knowledge gap.

Looking at these changes in the international environment and the devastating effect that the global recession in the early 80's has had on past development gains, we have become aware of the fragility of the development effort, and how impossible it henceforth is to look at development only in a national context. Development has become inevitably bound up with the globalisation of the worldeconomy and other powerful transnational processes. As a result it is no longer meaningful to look at aid relationships exclusively in bilateral terms. It has acquired a global dimension which no donor- or receiving country can afford to ignore. What are some of these transnational processes that have a bearing on the developmenteffort?

In the economic field there are the adjustments that have taken place - and will continue to take place- to the globalisation of the worldeconomy. They cover the internationalisation of financial markets and trade, capital movements, no longer related to trade, but driven by global institutional investors, and the consequent development of new and global powerstructures that are only accountable to themselves and are beyond the effective reach of any single government. It is now essential for any domestic business to know one's international competitors and to know other markets, even if it only wants to gain or maintain a competitive edge domestically. This condition, coupled with rapid changes in technologies are important factors in the revision of any developing country industrialisation strategy, especially among the latecomers in the field.

The inexorable spread of global communications has brought its own set of problems. It certainly will raise levels of education, of political and social awareness. But it has also already shown how easily it raises expectations regarding the good life which are way beyond the capacity of the national economy to meet, except at the price of unacceptable inequality. Combined with the dilemma developing countries now face of how to reconcile the need for economic performance, most easily met through the use of essentially labor saving technologies, and the massive

unemployment that is now endemic in most populous developing countries, one begins to understand the magnitude of the stresses to which the prevailing political systems, irrespective of ideological orientation, are being subjected, as well as these countries' insistence on maintaining their cultural identity and a degree of privacy. This finds its counterpart in the economic nationalisms and protectionism that are a reaction to the frictions engendered by the process of globalisation.

In the face of these and other such transnational processes governments have lost a considerable degree of effective control and have had to accept some de facto limitation of their autonomy and sovereignty. They are no longer the predominantly controlling factor. That role they now have to share with other actors, at the transnational as well as at the subnational level.

In fact, we now live in quite an anarchic, interdependent, and very fragile and complex worldsystem, in which no single country or group of countries is capable of exerting effective control. Still there is the overriding need to stabilize the system and to at least dampen its violent fluctuations. Not only in order to reduce the degree of unpredictability, - precondition for adequate world economic growth, but also, no less importantly, to enable us to come to grips with two even more fundamental and very urgent problems that have become global in their dimensions and which set important parameters for the international development effort.

One has to do with the increasing disparity between affluence and economic growth rates on the one hand and stagnation, poverty, and high population growth rates on the other. Those differences, most acute between adjacent areas, like between the USA and Mexico, and between the northern and southern riparian nations around the Mediterranean basin, are already creating massive and inexorable population movements, which are only bound to become larger still. This trend confronts any of the affluent industrial nations with three options. One is to revive and significantly enlarge the scale of the flagging international development effort. Second is to allow the free movement of people across national boundaries, as is already the case, in large measure, with the free movement of capital. The third option would be to accept the inevitability of multi-ethnic societies, and to develop carefully calibrated policies relating the scale of intake to improved absorption and integration policies, that would reduce the likelihood of racial or ethnic conflicts.

The other problem concerns the inadequacy of the international response to environmental degradation caused by the cumulative impact of human action. Even though one may dispute the claims of some environmentalists regarding, for instance, the greenhouse effect, even assuming the

smallness of the probability that by the middle of the next century the US Midwest and the Soviet Ukraine may have turned into scrub-desert, and that by the end of the next century all coastal cities in the world may well be inundated, such probability can not be summarily dismissed on the basis of scientific uncertainty, given the long leadtime necessary to mount any concerted effort and the even longer time for any set of policies to show its effects. It will require adequate and timely collective technological as well as political responses on an unprecedented national and international scale..

It follows then that development assistance in the decade ahead will have to take into account that development, and especially sustainable development has an economic, an ecological and a demographic dimension, all international in scope, which it can not afford to ignore.

Over and beyond the developmental goals proper, foreign assistance has to be used to help enable developing countries to play an effective role, together with other nations, in the international efforts to stabilize the international economic system at a level and in a manner that takes into account the interests of the developing nations. Settlement rather than management of the Third World debt problem should set the stage for the reversal of the net outflow of resources from those countries, as well as for the kind of non-inflationary domestic and liberalised trade policies in those countries that would be needed towards that end.

Secondly, quite apart from population policies aimed at reducing fertility rates, foreign assistance levels and policies should be adequate to help keep manageable population movements within countries and across national boundaries and continental divides, in order to avoid uncontrollable global population redistribution and all the problems this entails.

Thirdly, foreign assistance to strengthen developing country capabilities in the environmental field, to help develop the methodologies towards the integration of development planning and natural resource planning; to help search for less natural resource depleting development and trade patterns., and finally to help in the attempt to move towards global environmental regimes that will help ensure the continued habitability of the earth.

Fourthly, the rapid advances of science and technology and their impact on the international division of labor and the widening of the N-S gap have shown how strategic a capability the command of science and technology is for developing countries. Without it the developing countries are bound increasingly to fall outside the circle in which the major decisions

regarding the future of mankind in general and their own nation in particular are going to be made. We, most developing countries, were wrong to follow the advice given to us in the 50's not to go in for the basic sciences but to limit ourselves to the applied sciences. With the shortening of the distance between scientific discoveries and industrial application, that differentiation has now become much less meaningful. A concerted effort should be made to help developing countries to develop their scientific capabilities, especially those that undergird capabilities in the areas of biotechnology, micro-processors and communications technologies as well as materials technologies; like biology, microbiology, biochemistry, genetics, mathematics and solid state physics and chemistry.

For unless the developing nations can participate actively in the Third Industrial Revolution they are doomed to fall behind and lose whatever autonomy they now have.

It would be extremely shortsighted if fear for competition were to impede access to scientific knowledge for the developing countries. Without a second green revolution, which necessarily will have to be a gene-revolution world population growth will soon overtake increase in food production. Without a more evenly distributed scientific and technological capability worldwide- which is essentially a wealth creating capability, it would be extremely difficult ultimately to contain the pressures towards a global redistribution of population or of wealth. In other words the globalisation of scientific capabilities will have to follow the globalisation of the worldeconomy, if major convulsions later are to be avoided.

Unfortunately in today's international climate of intense competitiveness and with the US Supreme Court ruling that innovations in biotechnology are patentable, access to scientific knowledge in areas like biotechnology especially has become quite limited to scientists of developing countries. A similar trend of commercialisation of scientific knowledge limiting access is taking place in the field of microprocessors and communication, in part aggravated by the pressures of military secrecy. In fact the military provenance of much funding in the basic sciences has certainly damaged the free flow of scientific information and the free exchange of scholars.

Foreign assistance should help developing countries to build up their scientific and technological capabilities. It might be one of the most effective areas of concentration for a diminished level of US foreign assistance. For all the economic difficulties that the US now experiences, it is still unparalleled in its overall scientific capacity and is bound to

remain so, as long as it remains an open society. It therefore has a special comparative advantage in this regard.

There is in my view one important contradiction in the discussion of foreign aid, which urgently needs resolution.

It has to do with the contradiction between advocacy for export-driven development at a time when, for a variety of reasons, protectionism has raised its ugly head.

If international development assistance is to be taken seriously, it should involve the restructuring of the domestic economies of the advanced industrial countries as well. To prevent aid from turning into debt, donor countries must open their markets and keep them open for the manufactured goods of the developing countries, while they themselves concentrate on advanced, knowledge intensive technology as part of the transition of their societies to the post industrial, information society. Such a transition is a painful one to make, with major consequences in terms of investment decisions, retraining and possibly relocation of labor, but it has become in many ways an inevitable transition..

If so far issues of re-industrialisation have been dealt with primarily in terms of comparative competitiveness between the major industrial countries, now world development requires a combination of market forces and agreed international policies of incentives and disincentives within the advanced industrial countries, more or less in lockstep with advances in developing country industrialisation. It would of course imply a new dynamic international division of labor.

Whether, given present moods in the advanced industrial countries, this is a feasible proposition seems to be rather doubtful. Still I believe it is important that the case is at least stated. An effort of this kind would also require the forging of new dynamic and forward looking coalitions of constituencies within industrial as well as developing countries, of a different kind than those which used to support the more traditional foreign aid programs.

While these remarks are of a rather general nature, relevant to most donor countries, which increasingly should include the NIC's as well, allow me now to some specific remarks regarding US development assistance, as seen by a friendly observer.

The ongoing review of security concepts in relation to economic strength and strategies might be a good opportunity to delink development assistance from military assistance and Economic Support. The

management of foreign assistance in the much broader framework that has now become necessary, will be complicated enough to warrant this. And while political decisions and choices remain of course inevitable and legitimate, this delinking may also reduce the overall pressures towards the militarisation of whole societies in the Third World, and may lead to greater consistency with regard to human rights policies.

The longer term social impact of the manner in which development assistance has been administered also invites review. Funneling development assistance through central governments and national bureaucracies, we now realize, has in many cases encouraged the centralisation of power, and even the growth of authoritarianism. It has also led to the bureaucratisation of the countryside in those countries where villages were traditionally had a large degree of autonomy. Aid packages for rural development made this bureaucratisation almost unavoidable, but it was often fatal for the nurturing of local initiative and destroyed the need for local accountability. There may be a variety of solutions to this problem, depending on local conditions but it is certainly worth looking into.

More generally, large development agencies, including the multilateral ones have, for a variety of valid reasons, pre-set disbursements levels which have come to constitute criteria to judge institutional effectiveness. It has contributed to sloppiness in planning, uploading a program with marginal projects and at the other end, corruption.

Foreign aid has contributed a great deal to the enhancement of national capabilities. It has however now become increasingly important to try to as much as possible to encourage the seeds of growth of pluralism in society wherever they can be found, as well as of local responsibility and accountability at the lowest possible level of society, by helping to organize the development effort at the macro as well as the micro level towards those ends.

Support of NGO's as well as university centers, the enhancement of their capabilities at both levels would be very important in this regard. Their autonomy might be further strengthened by the establishment of independent binational funding boards, either meeting in the donor country or in the receiving country. A binational audit and evaluation board might be a useful variant on this idea.

All this calls for a high degree of familiarity of a nation's language, culture and history, aside from the technical expertise that is expected of the staff of a foreign development agency. It may often be difficult to reconcile these requirements with the more impersonal rotation

procedures of large bureaucracies. Nevertheless while the scope of development has now become global , it is the cumulative effect of succesful outcomes at the national and subnational levels that will make the difference.

In summary, development then is no longer primarily an ethical challenge , nor is it simply an economic opportunity for donor and receiving country alike. Global development has now become a practical necessity for human survival. Only with an industrialised South, a structurally adjusted North and a more widely spread scientific and technological capability will we be able to ensure the governability of human society and the habitability of this globe.

In the words of Carl Sagan: "The earth is the only planet in our solar system that is graced with life." We will have to keep it so.. The time is late. We will all have to do our share.

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