

ESSAY □ Marcos Agayo

We can be the best in the world

DEVELOPMENT, in its modern context, has come to connote not just economic growth—it has come to encompass the various structures affecting the life of man and his family. It does not mean a mere increase in pay—but opportunities to own comfortable housing and enjoy leisure time among others. It does not just mean an increment in the gross national product—but equitable distribution of opportunities and the rise of the general well-being of the people.

The resources of the Philippines—its natural and human potentials—portend its rise as one of the most progressive and powerful nation in this part of the world. The crucial steps toward this end are being undertaken by the government, self-uncumbered by the old society. Being at the frontline of the development "war," we in the government must be more than ever resolute and dynamic in fulfilling our duties.

At the same time, the goal of development must be emphasized—the upliftment of the welfare of all our people. Some of the country's most reform programs of the government aimed at the equalization of opportunities for all Filipinos. But reforms and economic growth can go forward, together. Gunnar Myrdal, Nobel-prize winner in economics, has said: "It is possible to cite a number of countries in Southeast Asia which suggests that an increase in equality would help rather than hinder development."

Assess of Growth. There are reasons to believe that the Philippines can be a very progressive country. We have abundant natural resources, responsive leaders, and able planners. And barring chance factors like international, political and economic turmoils, what may be crucial is the character of our will as a nation.

Natural Resources. Underdevelopment is usually attributed to geographic or climatic causes. But while hot climates for instance have adverse effects, many hot areas, like the Queensland areas of Australia, have shown progressive economies. Denmark, Switzerland, and Japan became very progressive despite scarce natural resources.

The Philippines with its abundant natural resources should, therefore, have a substantial comparative advantage. A survey done some years ago by the Economic Commission for Assistance to the Far East (now the Economic and Social Commission of Asia and the Pacific) showed that the Philippines has the richest mineral deposits (excluding oil) in Asia. At the time of the survey, the Philippines had the largest hoard of copper and was the third largest copper producer; it was the seventh top producer of gold and fourth of chromium.

Another study, this time by a Filipino, showed that most of the coveted agricultural products in the world market are produced here cheaply and abundantly. We are, however, behind Taiwan in exporting agricultural food products. And yet our territory is eight times that of Taiwan's. Furthermore, much of Taiwan's soil is niggardly and the climate is harsh. Considering the amount and variety of our natural resources, we are underproducing.

Industrialization. While our economy is considerably above subsistence level, primary products remain our principal exports. We therefore need more processing (through industrialization) to increase the value and the variety of our exports. What makes processing development urgent is that world trade in processed goods has increased, since the late 1920s, than world trade in primary commodities.

Besides the need to be on par on trading with developed countries, the

channel resources toward capital building activities. Thus, our government can, if freed from excessive population pressure, use more funds for infrastructure rather than for, say, welfare. Or perhaps entrepreneurs can use more profits for expanding activities rather than for supporting unemployed relatives.

Social Discipline. Development in Southeast Asia means having to alter anti-development behavior. Or, it means spreading technology-consciousness especially among farmers, and orienting businessmen to production rather than to trading.

In our society, farmers tend to cling to traditional practices. Insecticides and fertilizers are feared; initial failures with advanced technology caused by lack of experience further augment traditional fears. Among the educated classes, there is mostly scorn for business or production-oriented careers. UNESCO once reported that of the many students from underdeveloped countries studying in the United States, only four percent study agriculture which is the fundamental problem sector in their nations.

Social discipline in the Philippines is perhaps a special problem. Farmers have been known to take advantage of the character credits given them by the government for idle purposes. Corruption, in the lower levels especially, has taken the edge from central government dicta. Government technicians have been known to be regarded as threats by "upper class" villagers and as mere govern-

ment agents, and therefore to be feared by the other villagers.

Labor discipline and efficiency also are perhaps a bigger problem in the Philippines than, say, Japan. The Japanese economy at the end of World War II was shattered. And yet, it was able to industrialize leaving natural resource-rich Philippines behind. Myrdal attributes Japan's success largely to its labor discipline and efficiency.

The need for social discipline is underlined by Myrdal: "Rapid development will be exceedingly difficult to engender without an increase in social discipline in all strata and even in the villages." In the Philippines, the job of disciplining people must go beyond police monitoring, monetary incentives, or, in the case of farmers, peer-pressure which in some cases is negative. Disciplining society must be done by government people who must serve as "prizing examples," by technocrats who must humanize their policies, and by the teachers who are most in contact with the young.

Institutional Reform. In the Philippines, the kind of institutional reform is the liberation of farmer tenants from "feudal" chains. Farmers' ownership of the land they till would promote their dignity and, even better, incite more production. Masagana 99 has already achieved production rates seldom, even, achieved by landlord-tenant systems. The initial risk of lessened production through the parceling out of land into small pieces has been offset by the organization of farmers into cooperative-like the Samahang Nayons.

Government Planning. Martial law has released in grand fashion the productive possibilities of the people by eliminating power politics. It has given full play to technocratic planning and implementation. The government's policy of central planning is supported by this statement of Myrdal:

"Successful economic planning requires a stable and effective government. But at the same time, planning itself becomes a principal means of reaching national consolidation: first, because it will create an institutional structure to articulate government policies; secondly, because the result, when planning is successful, will be higher economic levels, greater opportunities for the people, and a symbol of national achievement."

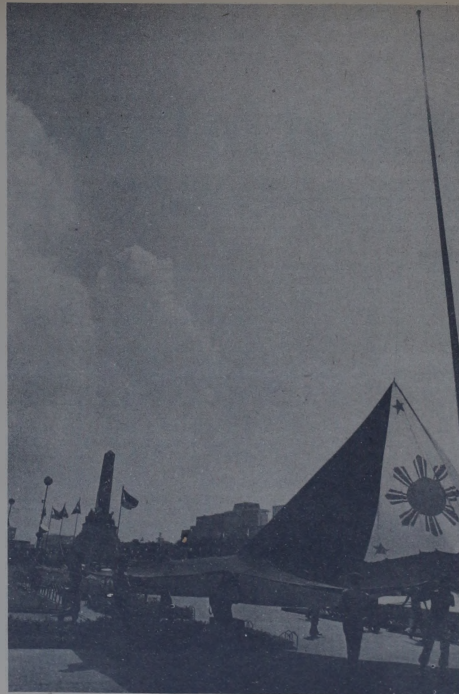
There is one catch to government planned economic operations, however. The government's responsibility to the people becomes double that of a government in a "free" economic process. And government managers must then make sure that well studied policies and plans will not bog down in the implementation level.

Development, in the Philippine context, requires social, political, as well as economic reform: farmers cooperatives, barangays, research on small-scale industries, and the rest of government programs, all constitute the totality of reform. Each is vital.

Government performance, too, is under test in the eyes of the world. At present, the Philippines is midway up the South Asian development scale—number 14 in terms of per capita GNP among 25 independent states—and among the world's 195 countries and territories, it is 136th—near rock-bottom.

But the performance of our economy, under central planning, has astonished the world. From a previous average rate of 4 percent, real growth rose in 1973 by 9.2 percent. In 1974, when most of the world had to make do with "zero growth", the Philippines registered a real growth of 5.50 percent. And in 1975, the Philippines was one of the five (out of fourteen) ADB members which registered positive real growth rates. □

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Fusing initiative and resources is the key to full development.