

II THE ROLE OF GOVERNMENT IN BUILDING MODERN ASIAN SOCIETIES

A speech presented to the Young Asian Leaders and Advanced Students Seminar, Nanyang University, Singapore, March 17, 1969.

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A keynote speech to a conference of young Asian leaders is a weighty assignment, made still weightier by the importance and the complexity of the topic on which I have been asked to comment: *the role of government in building modern Asian societies*. To meet this responsibility, I have tried in preparing these remarks to conceive of my role in as broad an analytic perspective as possible. I shall not, therefore, be much concerned with the details of government policies and programs—you will, in any event, spend much of your time at this seminar discussing such matters—but rather with overall approaches, general lines of inquiry which might provide a framework within which more specific problems can be better understood.

Having briefly reviewed some of the literature relevant to the topic I am persuaded that there is a standard approach—with many variants in line of argument and conclusions—adopted by most experts in the field. This approach—which I shall call the approach of the economist, administrator, and practical man—is one with which many of you are probably sympathetic, for reasons which I shall discuss below. As a political scientist, I am struck by the incompleteness and thus the misleading quality of the standard approach. The bulk of my comments, after outlining the standard approach and some of its variants, will thus be directed to explaining (1) why it is incomplete and (2) what sorts of additional information and analysis are required to provide a fuller picture and to avoid the faulty conclusions to which one may otherwise be led.

The standard approach, as I understand it, asks: (1) what is wrong with Asian economies; (2) what role(s) can we assign to what kinds of governments in order to remedy these wrongs; and (3) how—in practical terms—should government go about executing its assigned role(s)?

An answer to the question what is wrong involves an examination of the state of underdevelopment or—in some discussions—“predevelopment”, which we all recognize as the characteristic feature of Asian economies. Statistics tell us much about what is wrong, about what the state of underdevelopment means: low and static (or even declining) per capita income, a highly unequal distribution of income

(the "rich-poor gap"), a large majority of the population engaged in subsistence agriculture, a lack of semi-skilled and skilled urban workers (and of expertise generally), a high incidence of debilitating disease which makes for an inefficient work force, a high birth rate which results in more mouths to feed in already overburdened economies, and so on. In all of these economies, it is generally agreed, there is an insufficiency of capital and an insufficiency of the capacity to create capital which obstructs movement from predevelopment to development, which prevents them from beginning, in Heilbroner's dramatic phrase, the great ascent.¹ The characteristics of insufficiency of capital and of the capacity to create capital are in turn usually related to what is called traditionalism, that is, attitudes, beliefs, values (culture) and forms of social organization (social structure) derived from the pre-colonial period and unsuited to the requirements of a modern economy. To the economist, traditionalism means a rigid outlook on the world, a belief in a fixed rather than an expanding stock of economic goods, a preference for particularistic (e.g., family-oriented) rather than universalistic behavior, a fear of change, a greater willingness to do things the old way (one at least stays alive) than the new way (which might, and indeed sometimes does, end in disaster), in short, an inability to operate as the *homo economicus* of economic theory.

While most economists, administrators, and practical men would probably agree with the above characterization, at least in broad outline, there is considerable difference of opinion on the question of the role of government and, especially, of the kinds of government most suited to lifting these economies out of their present backward state. These differences of opinion fall along two dimensions: (1) the dimension ranging from governmental indifference, the classic free enterprise position which makes government irrelevant or, sometimes, argues that government is more harmful than helpful to economic development,² to the position that government must do everything, that it must take full responsibility for economic modernization;³ (2) the more specifically political dimension which ranges from the view that the new states of Asia and Africa require some form of dictatorship or firmly authoritarian government to bring about development to the view that democratic development is possible (virtually no one argues that democracy is required for economic development).

Various positions, combining different points along these two continua, are logically possible and indeed forcefully (often polemically) put forward by develop-

¹Robert L. Heilbroner, *The Great Ascent* (New York: Harper and Row, 1963).

²See for example P.T. Bauer, *Indian Economic Policy and Development* (London: Allen & Unwin, 1961).

³This is of course the communist position, but many Western economists are also sympathetic to it. See for example Heilbroner, *op. cit.*

ment experts. Given for the moment an acceptance of the economist's approach to the problem, I am sympathetic to the position of Eugene Staley (and others) who argues that there is no necessary relationship between a particular kind of political system and economic development or even (at least when seen in historical perspective) between political systems with positive interventionist vs. indifferent attitudes toward economic development, on the one hand, and the actual realization of development on the other.⁴ Staley's evidence for these propositions is primarily a comparative historical analysis of the diverse development experiences of five "old" states: the United Kingdom, United States, Germany, Japan, and the Soviet Union. The United Kingdom is of course the classic case of economic development through free enterprise with no government intervention beyond the freeing of private enterprise from the governmental restrictions imposed by earlier mercantilist doctrines. The United States also experienced essentially free enterprise development, but with substantial intervention by a democratic government in the opening of land, the provision of communication facilities, and perhaps most importantly in the enormous investment in mass education, which Staley sees as the principal reason why the U.S. got ahead and stayed ahead economically. Germany, on the other hand, provides a model of an authoritarian monarchy directing much of the development of a substantially private enterprise economy. Still more interventionist is the case of Japan, where an oligarchic, authoritarian government was central to the development process, creating state industries as well as providing overall direction of the economy. And finally, at the extreme end of both dimensions, a modern elite operating through a single party in the Soviet Union dominated the whole of the economy, planning and implementing at all levels and using considerable repression to build a modern economy on what was in 1917 a developing, but still very limited, capitalist economic base.

Some new states' economists, as you are probably aware, argue that the past does not provide useful lessons for the present, that the problems of the new states are either unique to our historical epoch or, more usually, that they are so vast, and must be solved so quickly, that neither free enterprise nor democracy will work. Free enterprise is too chaotic and the preconditions for it are not present.⁵ Democracy is a luxury which can only be afforded by the already-modern West, because it permits too much diversity of opinion and leads too easily to "immobilism", to the inability of the political system to make consistent decisions over a long period of time and to implement those decisions effectively, particularly when they require

⁴Staley's argument is succinctly summarized in his "The Role of the State in Economic Development", in Myron Weiner, ed., *Modernization: the Dynamics of Growth* (Voice of America Forum Lectures, n.d.).

⁵Kwame Nkrumah once said, with peculiar logic given the argument which we shall present below, that capitalism (compared to state socialism) was too complex a system for the development of contemporary African economies.

short-run economic sacrifices for long-run economic good. Although from a theoretical point of view there is some persuasiveness in this argument, the empirical reality of Asia and Africa suggests to me a contemporary diversity in the relationships between political and economic systems and economic development not unlike Staley's historical diversity. Looking just at Asia, at Malaysia, the Philippines and India, at Pakistan, Indonesia, and Burma, it is not at all clear whether intervention or relative passivity is better, nor is it obvious whether authoritarianism or democracy provides the single key to economic development.

Having proceeded this far with his approach, the economist or administrator is likely to become more specific, listing the tasks that governments (of whatever sort one favors) can or should do. Staley has a list which seems to me to be typical.

(1) "*creating the physical and social foundations for development*", that is, investments in basic facilities such as "roads, dams, irrigation canals, power systems, telephone and telegraph networks," and so forth, and investments in education, including not only elementary, secondary, and university levels but also adult re-education, up-grading of skills, etc. Under this general heading also comes land reform.

(2) "*over-all planning and integration of development*", which includes analyses of the specific economic problems of the country, the determining of goals and priorities, and the devising of techniques and programs to achieve these goals.

(3) "*bringing about larger and more efficient production and distribution of goods and services*," meaning the actual creation and maintenance of productive enterprises and distributive facilities, either through direct government intervention, the provision of a legal framework in which private firms will be able to develop at maximum speed, or some combination of both.

I have dwelt at length upon the standard approach and some of its variants for three reasons: (1) it is the most common approach in the literature, and contains many important, if partial and limited, insights; (2) I suspect that at least a few of you are not familiar with it; and (3) it raises some interesting themes and questions which I wish to pursue further. These include most particularly the controversy over different types of political systems and—more by implication than explicit analysis here—the positive intervention-indifference dimension of government economic activity and the specific tasks—creating the foundations for development, overall planning, production and distribution—assigned to government by the experts.

As I said at the outset, I expect that most of you are sympathetic to the economists' approach, or at least to the non-free enterprise variants of it which

spell out the positive policies, general and specific, which government may adopt to deal with the problems of economic backwardness. You are sympathetic, if my information about your backgrounds is correct, because you are modernizers, that is, you have a deep commitment to creating modern societies in your respective countries. Many of you are also in government, which means that you want to use government as your instrument of modernization. In fact, you are likely to believe that government is the *only available* instrument for modernization, so you want specialists to give you some specific ideas concerning what you may do as members (or aspirant members) of the governing elite to bring about modernization.

These attitudes --and there are sound historical and sociological reasons why most members of the elite in new states possess them -- predispose you to look at government as the independent variable and economic development as the dependent variable, to see the causal nexus as running former, which causes, to the latter, which is caused. I do not really mean to fault you on this. It is natural outcome of your training and your roles in society, and indeed it is a valid and necessary way of looking at the problem. What I want to suggest is that there is another approach --one which it might be said that I am predisposed to because of my role and training -- which sees government as the dependent variable, as that which is caused, and the nature of the social system, including the economy, the culture, and forms of social organization, as the independent variable, as the agent which causes.

To put it more simply, my interest here is not in directly answering the question "What is the role of government in building modern Asian societies" but rather in asking the prior question "What is the effect of contemporary Asian societies (economy, culture, and social structure) on the building of modern government?"

Why is this an important question in terms of your interests, which have to do with economic development? It seems to me apparent that if you are going to discuss the role of government in modernization, you must first have some knowledge of what governments are actually like, what their capabilities are, what they can and can not do, in the kind of societies with which we are dealing. If, for example, neither dictatorship nor democracy (in the sense in which political systems bearing these labels exist in the West) are possible in Asia and Africa, then it doesn't do much good to argue about their relative merits and demerits as modernizers. It also seems to me apparent (even self-evident) that if we are to assign specific tasks to government in the modernization process, then we must have effective government. It is important, therefore, to determine what we mean by the concept "effective government" in the contemporary world, to discover whether or not

particular governments are effective, and to ascertain the reasons for effectiveness or ineffectiveness.

I shall begin by defining what I mean by "effective modern government", and then discuss briefly some of the major obstacles to achieving that kind of government in the new states. *An effective modern government is a government which has solved past and is able to solve present and future problems of "penetration" and "participation."*⁶ Both of these problems, I would suggest, are uniquely modern and related to the tasks set for government by the economists and administrators. By the problem of penetration I mean the establishment of bureaucracies which are internally coherent, spread evenly throughout the country, and capable of implementing a wide range of government policies at the local level. By the problem of participation I mean the development of political organizations which are able to deal in some fashion with what I take to be increasing demands articulated or expressed by sizeable segments of the population and directed toward the government. (I must emphasize that I am not biasing my argument toward democracy here. The Communist Party of the Soviet Union, for example, which is not a notably democratic structure (at least as I define the term), seems to me to have been on the whole successful in organizing, manipulating, and repressing demands in that country.) As a final part of this definition, it is important to point out that these two problems must be solved in a complementary fashion. The structures of penetration must be related to the structures of participation in such a way that the decisions arrived at by the latter are the decisions implemented by the former. A few illustrations will make this point clear. When the Communist Party of the Soviet Union makes policy, the Soviet bureaucracy carries it out. When the American President and Congress legislate, the American bureaucracy implements. When, on the other hand, the Communist Party of China makes policy, it is not entirely clear what happens thereafter.

On the basis of the (admittedly still very limited) knowledge which we possess of the political systems of the new states of Asia and Africa it seems to me possible to enter a blanket indictment: the problems of penetration and participation, considered separately or in relation to each other, have not been solved in most of these states and do not appear to be amenable to solution in the near future. There is not effective modern government, or anything approaching it, in these countries. Further, it seems clear that the reasons for ineffective government rest in the nature of their contemporary economies, cultures, and social structures as these

⁶These terms are found in much of the literature on political development. See for example Lucian Pye, *Aspects of Political Development* (Boston: Little Brown, 1966) and Gabriel Almond and G. Bingham Powell, Jr., *Comparative Politics: A Developmental Approach* (Boston: Little Brown, 1966).

have developed from their traditional bases during the colonial and post-colonial periods.

The implication of this--if we return for a moment to the initial discussion of the role of government in building modern societies--is a vicious circle. We want to use government to modernize, but it is the very lack of modernity which makes it difficult, in some cases perhaps impossible, to create a government effective enough to modernize.

Within the confines of a single lecture, it is possible to list only a few of the reasons for governmental ineffectiveness. First, with regard to bureaucracies and policy-implementing, economic underdevelopment means a lack of communications facilities, a lack of skilled personnel, a lack of funds with which to pay personnel, and a small governmental budget generally (much of which, incidentally, goes to non-productive military hardware).⁷ In addition, traditionally-influenced social structure and culture predispose bureaucrats to act irrationally (if we define rationality as adherence to Western bureaucratic norms). Special favors, appointments, and promotions are given on the basis of particularistic criteria--say family ties or membership in a bureaucratic clique--rather than on the basis of universalistic, achievement criteria. Traditional views of authority produce bureaucrats hesitant to make decisions on their own. They pass the buck, avoid decisions, clog up the chain of command and force top bureaucrats to spend too much time on minor problems. The higher the administrative level, the poorer, the quality of information, for bureaucrats in the new states to a far greater degree than in the West tell their superiors only what they think they want to hear. Bureaucrats tend not to be innovative, to suppress new ideas, for fear of incurring the displeasure of their superiors. The bureaucracy thus finds it difficult to implement policies designed to modernize the society, simply because the society isn't modernized enough to support an effective bureaucracy.

Similar comments can be made with regard to political organization. Economic underdevelopment makes it difficult to create cohesive, integrated, nation-wide organizations. The limited quantity of organizational skills--and of educated individuals generally--tends to be concentrated in the civilian and military bureaucracies. In addition, the gap in education, aspirations, and values between the modernized elite and the rest of the population often means that supposedly national political parties have no real roots in the countryside, or at least no effective means of communicating (in the cultural as well as the physical sense) with their rural constituencies. South Vietnam provides a classic Asian example, of this problem, and

⁷Indonesia, perhaps an atypical case, is able to collect income taxes from only 2-3% of its population. The government's annual budget, on a per capita basis, is about 1% of that of the United States. The effects of this factor alone on bureaucratic effectiveness are obvious.

Indonesia's political parties are often characterized as little coteries of elite members in Djakarta. In the absence of much economic differentiation it is also difficult for a network of vigorous interest groups to emerge. Thus, despite the fact, in my estimation at least, that people in the new states feel more and more a desire to participate in governmental decision-making, it is difficult to establish structures which will permit their voices to be heard.

For the same reasons it is difficult to establish in Asia and Africa a single political party—a mass party like Nkrumah's Convention People's Party, Ne Win's Socialist Programme Party, or Nasser's various attempts at party-building—which will effectively manipulate and alter people's demands in accordance with the modernization policies of the national leadership. Two recent studies⁸ show quite clearly that the pretensions of African single-party leaders to create monolithic parties encompassing the whole of the society and mobilizing the people for development were not and in fact could not be realized, given the nature of the economy, social structure, and culture in these countries. A.R. Zolberg goes so far as to argue that the fundamental distinction between the new states and the economically developed states of the West is that the former are divided into a modern sector—encompassing the capital city and a few other urban areas—where the government has some (but even have not overwhelming) influence, and a "residual" sector, where the government has little or no influence.

These comments also apply to Asia. As some of you know, Western economists throughout the late 1950's and early 1960's predicted the imminent collapse of Indonesia's economy, but that collapse never occurred. Why not? Because the prediction was based on a Western model according to which rapid monetary inflation is a fatal economic disease. And indeed, inflation would destroy the economy of, say, contemporary Germany or the United States. In a society which has a large residual sector, however, inflation has much less impact. Peasants barter, exchange food for other goods, and so on. (There are, incidentally, some reasons for believing that while the Indonesian inflation of the 1960's was destructive of the modern sector it provided some marginal benefits to the residual sector, at least on Java.) Turning the argument around, it is not likely that the efforts of Indonesia's present government to stabilize the economy and begin its modernization will have much effect on the residual sector either, at least not for some time to come. Politically, Indonesia's situation was summed up well by the anthropologist Clifford Geertz, who wrote that "the supra-local polity, the national state, shrinks more and more to the limits of its traditional domain, the capital city—Djakarta

⁸A.R. Zolberg, *Creating Political Order: The Party States of West Africa* (Chicago: Rand McNally, 1966); Henry Bienen, *Tanzania: Party Transformation and Economic Development*, (Princeton: Princeton University Press, 1967).

-- plus a number of semi-independent tributary cities and towns held to a minimal loyalty by the threat of centrally applied force."⁹ What Geertz is arguing here, in our terms, is that the national political system has solved neither the problem of penetration nor the problem of participation. Instead, the "governing" elite is isolated from, and has little effect upon, the rest of the country.

These problems are further complicated in most new states by the lack of integration between the structures of penetration and the structures of participation. That is, what the politicians in the legislative and executive branches say is law does not get implemented by the bureaucracy. In part, as I have already suggested, this is because of the ineffective bureaucracy, but in part too it is because of fundamental value disagreement between bureaucrats and politicians as to what a properly constituted government is. Both groups tend to think that they alone have the moral right to run the country. Bureaucrats, trained in a colonial environment, regard politicians as uneducated upstarts ignorant of the principles of good government. Politicians often regard the bureaucrats as too tied to old-fashioned colonial ideas, too conservative, and unable to think imaginatively. Neither group is willing to work with the other: the bureaucrats will not accord political decision-making supremacy to the politicians, and the political leaders will not accept the policy advice of the bureaucrats. This cleavage seems to be growing wider with time, as the former colonial-trained generation of bureaucrats is being replaced by a technocratic elite even more impatient with the political class.

The implications of these comments, particularly the argument of a circularity of causes, are pessimistic, but they are not a counsel of despair. Rather they are a counsel of caution against the simplistic notion that there is a single key (or indeed any highly effective solution) to the problem of the role of government in overcoming economic backwardness.¹⁰ I would like to emphasize what seems to me to be one clear implication of my argument: the hope that an authoritarian government -- either in the form of a military dictatorship or a one-party state -- can succeed in developing the economy where a democratic government has failed is not well founded.¹¹ There is a difference between the desire to be authoritarian and the capacity to act successfully in an authoritarian fashion. Pakistan is our most recent reminder of that simple truth. It is also a case which seems to me to support a contention that government in most new states, because they are so weak and rest so superficially on top of their societies, need all the popular support they

⁹"Ideology as a Cultural System," in David Apter, ed., *Ideology and Discontent* (New York: Free Press, 1964), p. 69.

¹⁰I use the word key deliberately; the fruitless 20-year search for a key (*huntji*) which will open the gates to eternal prosperity is one of the major weaknesses of contemporary Indonesian political thought.

¹¹It may even make sense to argue that there is not much difference with regard to solving developmental problems among a one-party state, a military oligarchy, and a multiparty parliamentary democracy.

can get. Formal authoritarianism without the actual ability to create authoritarian organization is counter-productive; unable to control or manipulate popular demands, such government are ultimately destroyed by them.

In conclusion, I hope that you do not feel disappointed by the lack of specific solutions to your problems. The very nature of my presentation precludes the giving of immediately practical advice, for I have stressed not the peculiarities but the broad similarities in the political systems of Asia (and Africa as well). Yet we all know that each country in the region is different from all others in its particular combination of the variables which I have discussed. Some countries have more adequate structures of penetration and participation than others (such as Malaysia), some have fewer demands to contend with (such as Thailand), and some have more easily reconcilable demands. Some nations are at higher economic levels than others. In some, traditional social structure and culture are major handicaps, while in others they are not so obstructive. All of these factors affect, for each country, the degree to which its government can be effective and thus the degree to which that government can help to bring about modernization.

As you observe Singapore's progress during your stay here, it is well to bear these differences in mind and to avoid broad generalizations based on the Singapore experience. Singapore does not, in my view, provide a useful model for nation-building in Asia (aside from what it can teach urban development practitioners). Compared to other countries in the region, Singapore is small (a population of about two million), already urbanized and economically developed (with a relatively high literacy rate, an elaborate communications infrastructure, a skilled labor force, a large managerial class, and perhaps most important, an absence of "drag" from less developed rural areas), and geographically fortunate (situated on the principal Southeast Asian sea route and possessing an excellent deep water harbor). You should thus not assume that the success you see here is entirely the work of the People's Action Party (PAP) and its leadership, or that a similar one-party system will also work elsewhere. The PAP has achieved much in the past ten years, but it has done so on a small scale and with considerable support from the society, characteristics which are not present to nearly the same degree in any other country in the region.

ความเคลื่อนไหวภายในสถาบันบัณฑิตพัฒนบริหารศาสตร์

แต่งตั้งคณะบดี ผู้อำนวยการสำนัก และรองคณะบดีในสถาบันฯ

มีพระบรมราชโองการโปรดเกล้าฯ แต่งตั้งข้าราชการในสถาบันดำรงตำแหน่ง ดังนี้

1. นายปถม ชาญสรณ์ คณะบดีคณะรัฐประศาสนศาสตร์ ดำรงตำแหน่ง

ผู้อำนวยการสำนักฝึกอบรม