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THE ROLE OF MANPOWER DEVELOPMENT IN
POSTWAR ASIAN DIFFERENTIAL GROWTH

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Abstract

In trying to understand the differentials in the growth rates of GNP per capita during the postwar decades in the three regions of Asia (East, Southeast, and South Asia), this paper singles out manpower development as one of the major forces responsible for the growth differentials. Manpower development is defined very broadly to include not only the levels of skills and education but also attitudes toward work and learning or work ethics and work motivation. The paper concentrates on the latter aspects rather than skill levels since very little attention has been given to them. A framework for analyzing these aspects is explored taking the formation of work ethics to be mainly in the home, schools, mass media, in enterprises, and in religious institutions. This framework is applied to the formation of Japanese work ethics with some comparisons of sources of U.S. and Southeast Asian work ethics. The paper concludes that there is a need for policies to develop work ethics of LDC's in a systematic way.

The Role of Manpower Development in Postwar Asian Differential Growth

I. Introduction

In this paper, I speculate about certain aspects of manpower development which seem to be largely neglected in manpower discussions in South and East Asia but which may be strategic in the long-term growth and distribution of income. These aspects relate to habits and attitudes of work and of learning (often referred to as work ethics and motivation) as distinct from the problems of skill formation per se in formal institutions. Manpower development in this broader view encompassing work and learning habits and attitudes, is as important as skill formation for developing countries in South and Southeast Asia.

East Asian countries, Japan, Taiwan, S.Korea, HongKong and Singapore grew at a rate of about 6% GNP per capita between 1950 and 1975, in contrast to South Asian countries which grew at a rate of only 1 to 2% and Southeast Asian countries at a rate of 2 1/2% to 3%. (In this classification, Singapore is placed in East Asia, Burma with South Asia, and China, Vietnam, Cambodia and Laos are excluded since GNP statistics are not available.) In terms of natural resources (including arable land) per capita, East Asia is the poorest of the three regions. Capital in the form of factories and machines was largely bombed out by the U.S. airforce in most of Japan and Taiwan, and during the Korean war in the case of S.Korea. Thus, these countries had to build up their technology and much of capital anew by importations from abroad. If

we go further afield into the Middle East, we have the oil countries which despite their richness do not seem to be able to grow in a sustained fashion the most recent example being Iran which despite the vast importation of modern technology from abroad, is now in great disturbance with little prospects of resuming growth for years to come. There are several countries in Africa and Latin America where abundance of natural resources and capital not produced economic development in any sustained fashion. (To be genuine economic growth must be sustained over long periods of time, for real development signifies more or less permanent improvement in the capabilities of countries to produce goods and services. One remembers some years ago how India was acclaimed by some economists to have "taken off" in the 1950's when the GNP growth rates reached 4 or 5% largely because of extraordinarily large number of years of good weather in the 1950's with the weather turning sour in the 1960's, India "crashed" in the 1960's and the prospect of India making substantial progress in the foreseeable future seems dim in my view.)

Unlike the historical leaders of modern development (U.K. in the 19th Century, U.S. in the 20th Century) today's developing countries which can somehow generate rapid growth can borrow ample funds for financing capital formation (and need not generate internally all the finances), and once rapid growth continues it can generate internal savings so that the latter becomes a function of growth, as seems to be the case of Japan and West Germany. And technological needs can be met by importing (and adjusting) foreign tech

logies. Raw materials can also be imported cheaply with the revolution in marine transport, as the experience of East Asia demonstrates. We are thus left with manpower as the main factor in the growth of developing countries since the importation of large amounts of required manpower raises difficult problems as in the case of Iran and other Middle Eastern countries. It is, of course, not the quantitative aspects of manpower that is important, inasmuch as Southeast and South Asia is amply supplied with labor.

Good manpower is of particular importance for Asia with its great population densities and scarce natural resources and wealth. Manpower must substitute for the scarce resources. i.e., growth in the early stages must be relatively labor intensive but labor intensive growth can be efficient and rapid only if good manpower is available. The benefits of rapid growth can be distributed widely if manpower is efficient in the lower income groups, as the experience of East Asia demonstrates. In East Asia the higher productivity of the unskilled workers and other lower income workers contributed to greater equality, without the need for extensive and direct redistributive, social policies such as in Sri Lanka.

For the present discussion, I find it convenient to divide the stages of growth into three broad technological stages: in the first stage the overwhelming majority of the labor force must work with hand tools; in the second stage most of the labor force work with small-scale, mechanized equipment; and in the final stage, with large-scale mechanized equipment. These three stages can be identified and differentiated by the shape of the average cost

curve of the typical firm. The cost curve (output represented on the horizontal axis and the costs per unit of output on the vertical axis) for the first stage is horizontal, perhaps tilting down somewhat with increasing output due largely to economies of specialization; the average cost curve takes the shape of a (shallow) bowl in the second stage, and in the third stage the cost curve falls sharply as output increases and remains low at full capacity, due to large scale economies.

In the tool stage of technology, the work of the economy is performed largely by unskilled and semi-skilled workers. Good working habits are vital in this stage because it is the worker who determines the intensity of work and controls the quality of the product, and much of the energy required by the work is supplied by the worker through muscular action; thus, motivation to work must be high. In the second stage, good work habits are still important, as the operation of the small scale machines (instead of the tool) is still partially under the control of the worker though the quality of the product is partly the outcome of the quality of the machines. Here, the manual skills required are considerable but the energy is mainly supplied by the machine process. In the large-scale technological scale, production is carried out through a system of large machines operated centrally. Intensity and quality of work is beyond the control of the worker which makes habits of work less important as they are dictated by the system as a whole.

Of course these are stylized stages, and most economies in Asia are combination of all three stages. But it can be said that Japan is rapidly

moving into the third stage with perhaps one-fifth to one-fourth of its labor force working in firms using large-scale technology, with Taiwan, S.Korea, HongKong and Singapore still almost entirely in the second stage while in all other countries in Asia the overwhelming portion of the labor force (perhaps 80% to 90%) works with non-mechanized tools (including draught animals). The U.S. is the best example of the third stage with two-thirds of its labor force in firms using large-scale technology. Its agriculture is mainly large-scale using airplanes and combines while that of Japan is almost entirely small-scale. Similarly with the service sectors, (see discussions in the first chapter on structural changes).

Moreover, the demarcation between the stages is not clearcut. For example, there are degrees of large-scale technologies with varying degrees of automation. For some industries, there is a variety of average cost curves between the shallow U shaped and L shaped extremes. Similarly, between tools and small-scale technologies, the horizontal cost curve and the bowl shaped curve define the extremes with variations in between. Nevertheless, these stylized stages are useful in delineating roughly the degree of labor- and capital-intensity of the equipment used in work and therefore, the demands made on manpower. In the table below, the proportion of the labor force needed in the U.S. for high level occupations (professional, administrative, managerial) and clerical jobs is nearly 40% of the total labor force, compared to less than 10% for LDC's in Asia, and 25% for Japan. If clerical jobs are left out of the above, the highest occupations (generally requiring education beyond the

high school level) comprise one-fifth of the labor force for the U.S., one-tenth for Japan, and only about 3 or 4% for the LDC's. The difference in these occupational patterns reflect to a large extent the difference in the technological stages of growth of the U.S. and Asian countries, and indicate the types of occupations required for the various stages.

Good working and learning habits in the early stage of growth contribute substantially to efficiency whose outcome is greater output per worker and better quality of product. This, in turn, signifies higher income propensity to save, if work ethics (extended to living) includes frugality and rationality in living habits and consumption patterns. They perhaps account for the substantially higher growth rate of East Asian economies in the 1950's compared to those of South and Southeast Asia at a time when capital and natural resources per capita in all these regions did not differ too widely.

Finally for the requirements of sustained growth, a better developed manpower is likely to understand the necessity to work (and live) together harmoniously, reaching for consensus which extends into the social and who are hurt by the structural changes induced by growth and the resulting disruption must be quickly healed if social and political consensus so necessary for continued growth is not to be torn apart. As Simon Kuznets has emphasized smooth institutional changes are necessary in growth, and the wonder of East Asia is the success with which that changes were accomplished amidst the unusual rapidity of postwar growth. The postwar experience is littered with examples of growth coming to a halt with the destruction of consensus: Pakistan

Iran, Chile, Argentina, Uruguay, Nicaragua, Lebanon, to mention a few cases. Thus, part of the work ethics must include the concept of working together not only for one's own welfare but for national and community development.

2. Identifying Work Ethics in Economic Development.

I use manpower development to refer to something broader than formal education. There are several countries in the postwar decades which achieved high rates of schooling and high levels of formal education. In 1970, the Philippines, Ceylon, and Burma, with the highest levels of adult literacy in South and Southeast Asia, and Argentina, Uruguay, Chile, Peru, Paraguay, Ecuador, Colombia, Panama, etc., with the highest levels in South America, had low rates of GNP growth in the postwar decades. (See World Tables 1976 IBRD, John Hopkins Press, 1976, pp. 522-523.)

If we give the concept an institutional content, I would put the emphasis in the definition on ways of thinking about work and learning; more broadly good manpower development as ways of developing good working and living habits including attitudes toward the acquisition of skills, learning and improving oneself. Thus, defined, it is wider in scope than Gunnar Myrdal's emphasis on discipline and the Confucian focus on hard work. It encompasses not only manual workers but white collar, professional, and managerial personnel. Good manpower development comprises characteristics such as serious and responsible attitudes toward work, dedication to and integrity in work; a deep and abiding interest in good workmanship, ability to enjoy and thrive

in work; desire to get along and cooperate with peers; and eagerness in learning skills and developing them; and propensities to innovate and improve capabilities. Individual economic incentives are not to be neglected, but emphasis should be laid on the group's material incentives and on non-economic incentives such as loyalty to group and enterprise (whether private or public) and to co-workers, national goals, and so on. Briefly these may be summed up as spirit and good work ethics and motivations. In the ultimate sense, the purpose of developing good manpower is to promote national development and well-being. And the tie-up between manpower development and national development is essential in the emergence of a strong social consensus.

My casual observations in the various countries of Asia lead me to suggest that peoples' ways of thinking about work vary substantially from country to country. It varies all the way from Japan where people take work too seriously, and the authorities find it difficult to get old farmers to retire from work, to force laborers to reduce weekly hours of work, and where street signs exhort pedestrians to move more slowly; and to countries where manual labor is looked down upon and where efforts are made to avoid it, and even the exhortation to work hard and honestly is thought of as somewhat improper. In the latter countries, attitudes toward work seem to have been influenced by long periods of colonization by more hedonistic cultures such as the Spanish, Portuguese, and French, with life styles emphasizing pleasure and leisure (le vie joie) more than work, in contrast to East Asia where the influence of Confucian ethics was strong. In still another group of countries, under the

influence of Hinduism, Islam and Theravada Buddhism (all of which affected in varying degrees with indigenous animism), the emphasis was more strongly on religious activities than on work activities. These religions take a serious view regarding life after death even to the point of playing down the importance of life on earth and thereby downgrading both work and pleasure in the present existence.

Since the time of Max Weber, the subject of religion and development has not been studied extensively. But recent events in the Islamic world have shown that the topic should not be neglected. One study by Robert Bellah, (Tokugawa Religion, Boston: 1957) indicates the importance of Confucian-Zen Buddhism in the shaping of Japanese work ethics even before the Meiji period. He argues that the ethic of diligence, hardwork, frugality, primary loyalty (to enterprise rather than family), and obedience spread to all classes during the Tokugawa period (1600 to 1868). Max Weber's interest on the subject was confined to the issue: to what extent and in what ways the religions of Asia (in particular of India and China) obstructed the rise of capitalism in Asia. Our interest here is not on the origin of capitalism but the extent to which the ethics of work and living in the various regions of Asia help us to understand the differential growth of Asian countries. This is not a problem as demanding and difficult as Weber's.

On the whole, Weber's views on the religions of China and India, (Hinduism, Buddhism, Islam and Confucianism), would support the arguments of this chapter that work ethics of East Asian countries (Japan, Taiwan, Korea,

HongKong and Singapore) influenced strongly by Confucianism and Buddhism. the northern type was more conducive for modern economic growth than the Hinduism of India, the Buddhism of the southern type in Sri Lanka, Burma, Thailand, Nepal, Islam in Pakistan, Bangladesh, Indonesia, and Malaysia, and Spanish Catholicism in the Philippines. Even though Weber thought that the traditionalism in Confucianism was unfavorable to the origin of capitalism, he pointed out that it was rational and utilitarian, more so than the economic ethics of other religions, (Catholicism, Islam, Hinduism and Buddhism). ^{1/}

More studies may be needed on the role of work and life ethics in the different pace at which countries in Asia have grown in the postwar decades.

^{1/} From Max Weber: Essays in Sociology, edited by H.H. Gerth and Wright Mills, Oxford University Press: 1953, p. 293. See also Robert Bell op.cit. Weber notes that even though Confucianism could not promote the origin of capitalism, it was quite capable of "assimilating" capitalism. In contrast Weber (in the Religion of India) described how incompatible Hinduism was with the requirements of capitalism, especially the caste system with all its barriers, taboos, and prescriptions with respect to occupations, the schisms between castes, and the view of life as a cycle of birth, deaths, transmigrations of soul, rebirth, and ultimate salvation --- there linked closely to caste rules, doctrines, traditions, and so on. The strong solidarity of each caste and the sharp segregation between castes make for incessant conflict and bad feeling among the castes. And the hierarchical ordering of the castes leave little opportunities for the lower castes, especially the "untouchable" Harijans and underprivileged castes, to improve their lot. These making up half of the working population of India have to be brought into the stream of development if India is to make sustained progress but efforts on their part to voice their grievances are met with reprisals by the upper castes, frequently taking brutal and savage forms which are justified on traditional grounds by upper castes. But India will never be able to move out of underdevelopment when such a large portion of its population is downtrodden, so that the 1980's and 1990's are likely to witness widespread turmoil.

For this one must turn as a first step, to the religions of the peoples in Asia, for it is in religion that one finds in crystallized form the work ethics and life views which were handed down from one generation to the next before the present century. Even though work and life ethics are formed not only by the religion of a country but a host of other forces, economic, social, climatic, geographic, historic, it is a convenient way to begin the understanding of the role of economic ethics in the development of Asia in the postwar decades, and in thinking about steps to change ways of thinking about work and life. Asian social scientists mostly trained in Western social sciences must not lose sight of the fact that in the early stages of development, the influence of religion of work and life patterns is far greater than in modernized, industrialized societies. It is interesting to note the impressions gained by a mission of about 100. Japanese leaders who travelled for two years (1871 to 1873) in the U.S. and Europe trying to learn from the Western countries the changes Japan must make in order to transform their feudalistic society into a modernized nation. In a search for the major forces accounting for the dynamism of the West, the mission's report found vast differences in the central values and temperament of the West and of the East, and these were largely attributed to the great importance and influence religion played in Western society.^{1/}

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Tradition and Modernization in Japanese Culture, edited by Donald H. Shively, Princeton University Press: 1971, pp. 27-30. The mission, in fact, found that religion "can wield too much power over the people", and this can obstruct development, as in the case of Spain. "... the government is crushed by the power of the clergy and is incapable of escaping from his oppressive control. Hundreds of reforms have been destroyed by the clergy ... the people are all misguided and bewildered by the clergy, who perpetuate the idolence of the nation." (p. 29).

In West Europe, too, it is often remarked that work habits in the northern tier of countries are better than those in the southern tier, with the result that historically economic growth has been slower for Italy, Spain, Portugal, Greece etc.

In many countries of Asia, loyalties to families, kins, clans, castes and tribes are stronger than to public and economic enterprises (whether government agencies, schools, hospitals, cooperatives, firms, and so on). In these cases, work habits in enterprises are likely to be poor and attempts to utilize the latter for the benefits of the former takes the form of pilfering, grafting, moonlighting, absenteeism, poor work motivation, and so on, so that work productivity is low.

Japanese scholars point out that unlike the Chinese the Japanese early distinguished enterprises from family and put to the fore the paramount importance of enterprise over families insofar as economic activities were concerned (even though the family served as the basic social institution). The practice of primogeniture (whereby only the eldest son inherited all the family wealth) reduced the importance of the family as an economic institution for the other siblings while for the eldest son the welfare of the family was emerged into and made secondary to the family enterprise. (If the eldest son was incapable of running the enterprise adequately, the younger son or an adopted son or an outside manager was put in his place.) O.D. Corpuz points out that the corrupt and predatory nature of the Spanish colonial government forced the Filipinos to seek security in and assistance from the family, thereby strengthening the family.

as an economic as well as social institution with more ~~or less~~ equal division of property to be handed down to all siblings. ^{1/} In parts of Southeast Asia where the Chinese feared discriminatory acts, the clan became a powerful economic institution.

The strength of the family as an economic institution or the strength of religion regarding life hereafter or attitudes of hedonism fostered by colonial power are likely to make for poor work habits which are largely fashioned in the workplaces, and the latter in modern economic development are increasingly located in the enterprises and not in the family.

Accordingly, we emphasize in manpower development the importance of work habits, ~~ethics~~, and motivations of employees, employers, managers, administrators, and proprietors. The great differentials in the growth rates of East as against South-Southeast Asia in the postwar decades may be due in part, (perhaps in large part), to variations in work habits and attitudes which in turn underlie the differentials in levels and changes of per worker productivity. If this is so, the matter is most serious, for differential work habits are not transitional forces and may persist into the 1980's and 1990's. If so, this implies that by the end of the 1990's, East Asia will turn out to comprise economies which are highly industrialized and South Asia underdeveloped economies and Southeast Asia with economies somewhere in between.

^{1/} O.D. Corpuz, The Philippines, 1965 (New Jersey: Prentice Hall) p. 82.

3. Manpower Development in Various Countries.

Attitudes and habits of working and of learning are formed in the homes, churches, schools, enterprises and through mass media. The Western countries had plenty of time (a couple of centuries) to develop manpower suitable for modern technology through these institutions. In the earlier period, (before the middle of the 19th Century), technology was relatively simple, mainly tools so that habits of work were more important than skills and learning. As Max Weber argues, religious institutions were important in the earliest period in inculcating high motivation to work hard. Moses Abramovitz has found that the major source of growth of GNP was the growth of capital on the first half of the 19th Century in the U.S. and not until toward the last quarter of the 19th century did formal education begin to loom large as a source of economic growth.^{1/}

In the U.S., the main brunt of manpower development after the middle of the 19th Century was not only borne by the formal education system but paid for by the individual after the completion of public schooling. In-service training paid for by enterprises played a relatively insignificant role. This was because U.S. growth based on plenty of rich, natural resources could proceed rapidly on the basis of social values of rugged individualism, extensive mobility

^{1/} See his "Manpower, Capital and Technology" in Human Resources and Economic Welfare, ed. by Ivar Berg. Also M. Abramovitz and Paul David, "Reinterpreting Economic Growth," American Economic Review, May 1973, pp. 428-439.

and competition, self-reliance, and self-independence. In turn, this meant that the labor market was free, characterized by extensive mobility of workers, and by a system of promotion and remuneration based more on merit than on seniority. Under these circumstances, manpower development in enterprises through in-service training was costly for the firm when the trained worker can move to a rival firm at better pay.

Protestant ethics taught in the churches and homes was the source of appropriate working and living habits in the West during the 19th Century and early decades of the present century, when the economy was operating on small scale technologies. Considering the length of time the U.S. had in developing skills and work habits (about 2 centuries), these ways were sufficient to supply the type of workers needed for U.S. growth at that time, and considering the availability of vast physical resources, it was the quantitative limitations of manpower which tended to constrain growth. To meet these problems, large numbers of migrants came across the Atlantic in the 19th Century and progress in capital accumulation and the spread of labor-saving innovations were rapid.^{1/} What is to be noted about the American experience is that the system of industrial management (characterized by extensive labor mobility and individualism merit promotion and remuneration, high labor turnover, and insufficient in-service training

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See H.J. Habakkuk, American and British Technology in the 19th Century, Cambridge University Press, 1962. Also M. Abramovitz and P. David, "Reinterpreting U.S. Economic Growth," American Economic Review, May 1973, pp. 428-439.

and the system of education and skill formation were influenced by the great abundance of natural resources and ample time to develop.^{1/}

In the 10th Century, with the increasing sophistication of large-scale technology, manpower development had also to become more sophisticated, and increasingly the formation of skills and knowledge had to depend in institutions of higher learning, (high schools and universities, graduate schools, institutes of technologies, commercial schools, etc.). To provide for this need, the U.S. developed a most extensive system of educational organization which today is unmatched in the world both in size and quality.^{2/} In addition to specialized skills, the frequency of technological shifts called for a background of general knowledge to make possible flexibility so that the worker can shift from one type of skill to another. It should be noted that these are attributes and requirements attaching more to the third technological stage, namely large-scale mechanized technologies and the frequency of technological shifts.

Japanese methods were different from those of the U.S., reflecting in part the extreme meagerness of natural resources, especially arable land, and the shortness of the span of time needed to achieve modernization, Japan having the modern growth process two centuries later than the U.S. Accordingly, Japan

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See S. Lebergott, Manpower in Economic Growth, The U.S. Record Since 1800, (New York: 1964) Part I.

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But the boom in the higher education seems to be over, in the view of M. Abramovitz. See his "Manpower, Capital, and Technology" in Human Resources and Economic Welfare, edited by Ivar Berg.

set out to modernize work habits by requiring each and every grade in the school to teach good working and living habits in courses on moral education, tying these teachings to the need for rapid national development. The extensive teachings of work and life ethics in all grades of schooling was in line with the practice of Confucian education but was fortified and modified by Zen Buddhism. (See Robert Bellah, op.cit.) Since the early decades of the Meiji Restoration (1868), the system of work and life ethics was modified to meet the needs of varying economic and social conditions as modernization and industrialization spread. In the 1950's and 1960's with the need for developing quickly manpower skills for the phenomenal growth of small-scale and large-scale mechanization, the Japanese turned to a unique form of industrial relations which capitalized on Asian social values, under circumstances where the education system was insufficiently developed, unlike the situation in postwar America. This was the system of seniority (rather than merit) promotion and remuneration, lifetime employment, large bonus payments (close to profit-sharing), accelerated retirement pensions, and participatory, consensus decision-making, and intensive supervision and management.

In this system the labor-force was hired very young, at the point of graduation whether middle, high or technical schools, and universities by these methods, the labor force was committed to the firm, highly motivated, with large doses of in-service training freely given by the firm, especially to the

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permanent staff.

The young graduates of schools employed by the firms were taught kindergarten on work ethics --- of loyalty to the enterprise and national responsible and disciplined behavior, harmonious, cooperative and collective work patterns, high quality work, proper attitudes to improving oneself, learning, and innovating, besides science, mathematics, history, art and culture, and other basic subjects. After schooling, a very extensive system of mass media (TV, weekly magazine, radio, newspapers, books) continued on the formal education as lifetime education. 2/ The work habits, unusual motivation, and skills of the Japanese workforce were not ingrained, inherited traits, but from birth to death the Japanese were trained deliberately in the

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A large literature in English has grown on this subject. See James Abegglen, The Japanese Factory, (Glencoe: Free Press, 1956); R. Ballon, The Japanese Employee, (Tokyo: Turtle, 1969); Robert E. Cole, The Japanese Blue Collar, (University of California Press, Berkeley, 1973); M. Yoshino, Japanese Managerial System, Mass.: 1968 and his Japanese Marketing System, Cambridge, Mass.: 1971; B. Karsch and K. Okochi, Workers and Employers in Japan, Tokyo, 1974; E. Vogel, The Japanese Middle Class; I. Nakayama, Industrialization and Labor Management Relations in Japan, Japan Institute of Labor, Tokyo, 1975; Ruth Benedict, The Chrysanthemum and the Sword, Tokyo, 1954, Chapters 11 & 12. Also see Appendix 2 for comparison of Japanese and Filipino industrial relations.

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Japanese educational TV after learning from BBC in London during the early 1950's has surpassed the latter in size and effectiveness. Although the quality of higher education is below that of the U.S., the quality of elementary and high school education is as high or higher.

home, the school, the enterprise, and mass media. This formidable array of manpower development institutions was based on traditional social values of cooperation, concensus, hierarchical ordering, non-material, group incentives, and so on. ^{1/} Modifications were made as needed by the transformation of the Japanese economy, as it passed through the various phases of economic growth. The contents of work ethics shifted from emphasis on hard work and discipline to emphasis on innovation and quality work as the economy moved from the too stage to small-scale machine technology. Now as it begins to enter fully into the large-scale stage, changes in industrial relations are beginning to appear, though not necessarily unidirectionally toward the U.S. model of extensive mobility, merit-pay, and so on which are based on the highly individualistic, independent, and materialistic nature of American life. Moreover, the development of an extensive system of higher vocational system of private and public education in the postwar decades may now make possible the formation of specialized skills outside of the enterprise. ^{2/}

In the appendix are presented excerpts from Japan UNESCO volumes describing the goals of courses in moral education in the elementary and sec-

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See Chie Nakane, Japanese Society, Berkeley, 1971; also Kinship and Economic Organization in Rural Japan, New York: Humanities Press, 1967.

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Industrial relations experts in the U.S. are showing interest in some aspects of the Japanese system, especially in the teaching of work ethics and the origin of strong work motivation.

ondary schools, as they are now taught in Japan. It will be noted that the goals have changed substantially from the pre-war moral education course which emphasized loyalty to the Imperial system and the austerity of Zen Buddhism to democracy, humanism, innovation, and welfare. But the courses still do not neglect good working habits, self-discipline, collective and cooperative effort, and striving for group community, national and international goals rather than individual or family welfare.

Ways of developing manpower in other East Asian countries appear to be closer to those of Japan than those of the U.S., as these countries share with Japan the central social values embodied in Confucian ethics. The curriculum in HongKong and Singapore stress their curriculum moral education in which hard work, frugality, diligence, responsibility, integrity, and so on are included. One major difference from that of Japanese moral education is the emphasis laid on the importance of the family and of filial piety in these countries. During the Tokugawa period (1600-1868), during which Confucian teachings were deliberately and systematically inculcated into the Japanese populace through the schools, private schools, and government regulations and edicts, the Japanese began to deviate from Confucianism and made loyalty to one's lord and the more important than to the family and kin. In the later decades of the Tokugawa Shogunate, the top priority was shifted again from loyalty to Lord and filial piety to the Emperor and the nation, and in the post-war period, there was

shift to democracy and national and international development.^{1/}

Manpower development in the traditional occupations was through the system of apprenticeship in Korea and Taiwan but in the larger, modern firms, instead of extensive mobility as in the West, there was a tendency toward long term commitment, especially for the technical and professional personnel. There was more mobility in the smaller firms and among those with lower skills and without skills, particularly because during the postwar decades the influence of the U.S. began to offset that of Japan in the pre-war period. Recently the success of Japan economic development appears to swing the pendulum back to the Japanese side.

The great advantage of East Asia over Southeast and South Asia was the tradition of Confucian ethics which were taught in the homes and in the school for centuries. Under Japanese colonialism in the first half of the 20th Century Japan introduced extensively the teaching of work ethics in the school. Also in order to increase rice production for export to Japan, a system of agricultural extension to teach peasants in Korea and Taiwan the basic rudiments of scientific agriculture was established. These countries emerged in the early postwar

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Japanese Religion, A Survey by the Agency for Cultural Affairs, Tokyo 1972, chapter on Confucianism, esp. pp. 112-116. Also Robert Bellah, Tokugawa Religion, Glencoe 1957. For a discussion of difficulties with Westernized models of education in early Meiji and the shift to Japanization in the 1880's see Michio Nagai, "Westernization and Japanization: The Early Meiji Transformation of Education", Chapter 2 in Tradition and Modernization in Japanese Culture, edited by Donald Shively, Princeton University Press, 1971.

years with productivity per hectare about twice as high as South and Southeast Asian countries. In contrast, Western colonial powers in South and Southeast Asia were not interested in the import of rice and made only a minimal effort to improve skills in rice growing and in the education of peasants, with the result that the manpower skills of the vast majority of rural dwellers remained undeveloped. Since in the pre-war period rice production was the major occupation of most workers, the most important source of in-service training to develop manpower had to be in the rice farms of monsoon Asia. In the postwar decades, with land reform and further extension of agricultural and rural development, the manpower skills of Taiwanese and S. Koreans rose further and by the mid-1970's, the gap between the productivity of East Asian and other peasants widened even more, with the East Asian producing three times more per hectare. It appears also that the Koreans and Taiwanese were beginning to modernize the teaching of moral education, and to use increasingly the mass media for manpower development rather than almost entirely for entertainment.

Information on South and Southeast Asia is difficult to collect. My impression is that in general, most of these countries' formal educational systems were heavily influenced by the West. I have in mind the impact of the U.S. on the Philippine system, of U.K. on Sri Lanka, HongKong and Singapore's English stream, Malaysia, and Thailand, Netherlands on Indonesia and the French on Indo-China. Industrial management practices also appear to have been influenced by the West, with emphasis on labor mobility, merit payment, individualism, Western management practices. Mixed with these Western

practices, (appropriate mainly for highly developed economies in the third stage of technological development, namely, the large-scale mechanized technologies) were the practices based on traditional needs of these societies as they have evolved in the several centuries before World War II. In Ceylon, formal schooling was British and students going into secondary and tertiary levels came out with a disdain for manual work. Together with the extensive system of welfare and handouts, these graduates preferred not to work if white collar jobs were not available, thus raising the rate of unemployment up to 20% of the labor force. Nevertheless, work habits were heavily influenced by indigeneous religions, especially the Southern type of Buddhism (Hinayana) which emphasize life hereafter. Thus, skills taught were appropriate for a highly industrialized economy in which large-scale economies and high incomes called for most jobs to be generated in the service sector, not in agriculture and industry, while Buddhist work ethics ^{1/} were largely traditional, unfit for a more scientific agriculture and industry.

✓ Similar problems seem to inhere in Philippine manpower development.

U.S. educational practices were appropriate for an economy whose agricultural, industrial, and service industries were the most advanced in the World --- so

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See my paper "Differential Growth and Structural Changes in Postwar Asia," forthcoming issue of the Philippine Economic Journal, where it is shown that these large scale economies have only 5% of the labor force in agriculture and 60% in the service sectors.

advanced that for the vast majority of the young coming into the Philippine labor force (perhaps 90%), the skills of the most advanced economy would be relevant for their lifetime in the Philippines. The only hope for utilizing skills would be to migrate to the advanced countries. Character and religious education emphasized the importance of loyalty to the family, filial piety, good manners. The interests of public and private enterprises, of community and of nation, were subordinated to those of the church, family and relatives.

Industrial relations were basically Western, with emphasis on labor mobility, individualism, Western-type management and so on. In-service training was inadequately provided and the working habits and skills of the labor force poorly developed. Management preferred to delegate power to lower management as was customary with Western practices with insufficient supervision. Under conditions such as in Southeast Asia where middle management was weak and where production scale small, management and supervision must be intensive for the training of subordinates (and all those down to the lowest) so that skills could be developed. Top management complained that inefficiencies were due to poor middle management but this could be because top management was unwilling to spend enough time training middle management (and middle management training lower management and so on down the line). Management practices

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In Priscila S. Manalang's, A Philippine Rural School, University of the Philippines Press, Quezon City, 1977, it is pointed out that "Character Education was nothing more than constant exhortation 'to be honest, truthful, respectful, obedient to parents and elders.'"

were too much oriented to Western ways which were not appropriate in the stage^{1/} of underdevelopment in South and Southeast Asia. In agriculture, unlike in East Asia, the extension services were poorly and insufficiently developed.

Nor could one expect from mass media much training and education. T.V. and radio, as in the West, were almost entirely for entertainment and news casts, and the churches and temples, unlike in the West during the 19th Century, were entirely for worship, unrelated to economic ethics. Under these circumstances, the development of manpower could proceed only at a snail's pace.

Concluding Remarks

In this paper, I speculate about the appropriateness of education, industrial relations, mass media policies in some countries of South and Southeast Asia whose religious and social background and colonial heritage predisposed them to inappropriate working habits and skill formation. In terms of economic efficiencies, their inability to keep up with the rapid growth of East Asian countries during the postwar decades might have been due not so much to natural resources endowments, to capital accumulation, and to technological advance, in the final analysis to poor attitudes toward work and skill formation. If this speculation is valid, then, there is a need to examine the existing systems of

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See Appendix 2 for comparison of Philippine and Japanese management practices as they relate to manpower development.

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education, industrial relations, mass media policies, and religious practices for developing manpower. Without these changes, South and Southeast Asia will remain at the end of this millenium relatively poor, whose main economic function will be to supply primary commodities to other countries.

In the final chapter, the reasoning behind this gloomy conclusion is discussed.

✓ Instead of falling behind, Southeast Asian countries can "catch up" with East Asia by raising their efficiency with improvements in work habits and attitudes through a transformation of educational policies, industrial relations and mass media practices. But it is too late for some countries to swing back their institutions to be more appropriate for Asian endowments and conditions, which require more cooperative and collective practices than individualistic? It was very encouraging to find that in raising these issues in Jakarta, I was told that the social values embedded in the concept of Indonesia's Pancasila are still strong in Indonesia. These values which come close in several respects to Confucian values can be modified and adapted to give a body of teachings for improving work and life habits more suitable for modern economic development.

As to the Philippines, the shift back to Asian values of work ethics may be more difficult. The occupation by Spain for four centuries penetrated not only the urban areas but also the rural areas. And half a century of American occupation also penetrating the rural areas has brought in individualistic values which mixed with Spanish *le vie joie* and *siesta* social values have made for

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much confusion. Despite these influences, Asian values of collective and cooperative effort are by no means extinct especially in the rural areas.

I do not think one needs to be unduly pessimistic about modifying social values which were acquired fairly recently and are not basic, central ones. Of course, any attempt to impose a whole series of new ways of thinking imported from such vastly different societies as the U.S. is doomed to fail in Asian societies --- something Japan learned during ~~the early~~ Meiji renovation period and during the Allied postwar occupation. 2/ Others, too, as shown for example by the widespread disturbances in Iran today are learning that wholesale and drastic changes in social values are not possible. In December 1971, an ILO employment mission found widespread unemployment, poverty and illiteracy with great income disparities in Iran. A policy of labor-intensive strategy to reduce unemployment, of agricultural development, and of manpower development was recommended but no attention was paid to it by the Shah, who instead thought that he can "bulldoze" his way into modernity with the latest technologies that

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In Today's Revolution: Democracy, President Marcos characterizes the political culture of the masses to be "populist, personalist and individualist .. p.99.

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See my forthcoming paper, "The Role of Institutional Changes in the Rapid Growth of Postwar Japan," to be published in a volume in honor of Professor Miyohei Shinohara of Japan. I argue in this paper that the spectacular acceleration in the growth of per capita GNP in the postwar decades over the prewar (from 2% or 3% to 8%) was in due in large part to the institutional reforms started during the immediate postwar years.

the vast wealth from oil can buy. Today that effort is in shambles. The and his advisors were ignorant of the revolutionary nature of modern economic growth.

With appropriate development strategies and with skillful efforts at social change, it is possible to grow rapidly with low income disparities and full employment, as the postwar East Asian experience shows. In the mid-1960's, I have seen how the Singapore political leaders (especially Lee Kuan Yew) used the radio, television, and other mass media to explain the need for changing ways of doing and thinking, if Singapore is to develop into a modern nation, and how the system of education was re-oriented to serve the needs of the nation. The best examples are Japan, Taiwan, and S.Korea which with a large, traditional rural population in the 1950's adopted labor-intensive strategies, rural development, and the appropriate education policies --- to improve the skills and habits of work required for rapid growth, but within the context of basic Asian and social values. More important than capital, technology, natural resources, and even GNP, the development of human resources is both the means and goal of national development. With it, all the others are easily within reach. Despite the poverty of resources exemplified in the great population densities of Asian countries, the basic Asian social values of working together and harmoniously, (necessitated by the nature of padi agriculture and the great densities) instead of individualism and hedonism, may turn out to be the key social values for the development of Asia. If so, Southeast and South Asian countries must capitalize on them, as East Asia is doing.

Despite the speculative nature of most of this paper, these are sufficient grounds for thinking that the topic is an important one and should not be ignored. It is hoped that more systematic research effort can be devoted to the study of varying work habits and their role in the comparative growth of nations. The hypotheses and arguments in this paper may be a starting point in the attempt to construct a framework for such research.

Appendix I: Excerpts from Course of Study for Elementary Schools in Japan, Ministry of Education, Tokyo 1976. Each year from the first to the sixth grade students are required to take 35 hours of the course, Moral Education, and participate in Special Activities, whose objectives among others are "to realize one's duty as a member of a group, to participate in group activities for the development of the group; to develop the children's individuality in group activities and co-operate with other members in contributing to better living. (p. 206); "to take good care of things and use them effectively", "to use things effectively ... punctuality be stressed ...", "... be responsible for one's actions ...", "... to devote to public welfare ...", "... to be cooperative and friendly," "to obey rules and regulations," "to appreciate the value of work and cooperate actively in the service of others," "to protect public property, public morality, and the rights of others," "to love the nation and to contribute to its development," and "to understand and respect correctly all of the people of the world and cooperate with them for the welfare of mankind," (p. 201-205).

Excerpts from Course of Study for Lower Secondary Schools in Japan, Ministry of Education, Tokyo 1976, p. 485. Moral education and special activities are required in each of the three years. The same emphasis is given as in the elementary grades to take responsibility and duties seriously, to act cooperatively, to respect group action, and so on but with more emphasis on "realizing the pleasure of work and cementing the foundation for proper understanding about an occupation," "to understand the significance and objective

of different groups which they belong to and cooperate with each other," "to endeavor to think much of harmony within a group and willingly play one's role," "to understand the significance of the spirit of the law and order, and keep their behavior disciplined," "to pay regard to the law-abiding spirit and cultivate the attitude of sternly carrying out one's duties," "for the materialization of an ideal society with a sense of social solidarity," "to distinguish public life from private life," "love justice and overcome egoistic (individualistic) ideas and promoting group consciousness."

In the upper secondary school years, the moral education course is dropped but the following objectives are aimed at extra-curricular activities: "to have the pupils respect each other as human beings, deepen mutual friendships, and develop the habit of observing group discipline, respecting responsibility, cooperating for development of their life together ... the habit of using leisure time wisely, and respect for work." See Course of Study for Upper Secondary Schools in Japan, Ministry of Education, Tokyo, p. 485.

Japanese models of industrial relations put into operation Japanese subsidiaries established in the U.S. are said to be welcomed by American workers. Increasingly leading industrialized countries in West Europe are experimenting with models which include wider participation by workers in decision-making and work procedures to improve job satisfaction and quality of working life. (See ILO volumes on new forms of work organization tried out in Scandinavian countries, France, Germany, U.K. and U.S.) And for the first time, the American Economic Association in its December 1977 meetings scheduled a session

on the "Quality of Working Life." (For a report of papers and discussion, see the American Economic Review, May 1976, pp. 131-148.) These efforts involving cooperative, group work will be difficult to implement successfully without changing social values based on individualism into more group-oriented ways of thinking and working.

Appendix 2: Mamoru Tsuda in his study, "Understanding Industrial Relations in the Philippines: The Perspectives of Resident Japanese Investors," Philippine Journal of Industrial Relations, Asian Labor Education Center, University of the Philippines, Quezon City, Vol. 1, No. 1, 1st Semester 1978, pp. 65-83, through interviews of Japanese managers in about 98 Filipino-Japanese joint ventures in the Philippines, attempts to bring out the vast differences in industrial relations practices and perceptions in the two countries. First of all, the Japanese interviewees noted the difference attitude toward the corporations which were regarded by Filipinos as institutions belonging to families of the main stockholders and run according to the "rules and ethics of the family game," with the interest of the family prevailing in the operation of the corporation, some of the executives failing to "distinguish between the company's money and his own personal money," and decisions made on a personal, individualistic basis. With the Japanese, the corporation was a completely separate entity from families of the executives whom were professional managers, (and not owners) to be regarded as a public rather than personal institution of great national importance and to be operated on a rational basis with long-run objectives as paramount, rather than the maximization of short-run profits to be siphoned off to wholly owned family holding companies, instead of being reinvested for strengthening the permanent capabilities of the corporation and its employees.

Tsuda, then, goes on to point out the differences in the attitudes and treatment of workers by the employers in the two countries. In the Philippines, the Japanese managers were appalled by the "rather contemptuous attitude of

Filipino capitalists to their workers," regarding them as servants and follow much as "feudal overlords" do, firing "workers left and right" if "dissatisfied about something," and so on. In contrast, the Japanese employers regard workers as "a crucial element in a corporation, to be trained and developed in order to ensure the success and profitability of the corporation," with institutionalized wage increases and promotions, large bonuses varying with the profits earned, and other incentives to encourage responsible, loyal, diligent, quality work. The Japanese employers believe that the productivity of the firm is mainly the function of the workforce, while the Filipino employers pay more attention to the conditions of the machine.

Some of the Japanese partners of joint ventures were pessimistic about the future of Philippine national development with the business sector (so important in the development of capitalist economies) acting mainly for the benefit of the family. But they thought that institutional changes can be brought about by the government, as the example of Japan in the postwar decades show. Before the war, the Japanese economy was similarly dominated by the Zaibatsu families but by a series of reforms they were prohibited from corporate control which today are in the hands of professional management. (See for these and other details, my paper on "The Role of Institutional Changes in the Accelerated Growth of Postwar Japan," op.cited.) Moreover, in the same issue of the journal in which Tsuda's paper appears, there is a description of completely different type of employee-management system described in a paper by Marie Edralin-Aganon entitled, "The Bayanihan System at Unilab: A Case Study of Workers' Participation in Management," pp. 33-46.