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Private Initiatives in National Development*

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Let me begin with the terms of reference of this paper. The idea of national development includes a sense of movement, eventually towards a larger life for the people that constitute the nation. In fact, the very process of development itself is accompanied by an almost interminable interaction of elements that often differ from one another but manage somehow to converge towards some discernible growth, perhaps by dint of human initiative, imagination and genius. This convergence of differences is true of almost every form of growth, biological, economic, and even political. The union of male and female, for example, in spite of their obvious differences, often yields in a new life.

Similarly, in the realm of economic growth, inputs as divergent as men, machines, money, methods and materials are systematically assembled together toward an expansion in the level and range of the national output. The variety of goods and services that get produced in the process widens the range of economic opportunities made available to every individual person, and all because different elements have been organized to converge towards a growth, towards an unfoldment of new dimensions.

Finally, in the domain of political development, the stability of a state frequently depends on the quality of consensus over national purposes and priorities that gets evoked in the course of converging a number of differing political biases. This is especially true of plural societies. And in many ways, ours is a world of plural societies.

It must follow from all this, therefore, that the natural process

of growth presupposes the possibility of differences, but requires at the same time their eventual convergence to another level of existence. Otherwise, the differences will tend simply to scatter rather than gather together a new kind of life, which is what we mean by development.

Now, differences are possible and continue to be possible only when we make an effort to recognize them, to tolerate them, indeed when we are so persuaded of their necessity for further growth that we take pains to nourish and enrich the very environment in which they thrive best. But, when differences get so methodically regulated that they are soon ignored and eventually allowed to disappear into some kind of disciplined monotony, the very sources of growth get stifled in the process.

Differences then are necessary. However, their convergence to meaningful development is often a matter of private initiative and imagination. These twin facts, of differences and their integration toward growth by private genius, are so important to one another that the presence of one implies that of the other, and the absence of either connotes underdevelopment or backwardness in every aspect of a nation's life since its life is really one, even as it has an economic, a political, a social and a moral dimension.

Let me briefly illustrate this point with reference to the poverty of the slum dweller against the affluence of a denizen of one of our more conspicuously built villages in Makati. The slum dweller, because he is a slum dweller, hardly eats a good meal, seldom gets to see a movie, and is barely housed. Everything about him looks bare, his initiative, his politics, his economics, and even his ethics. There is little or no differentiation in his daily routine. His own lifestyle soon becomes one of unremitting monotony, without much variation in its motions of penury. It is a life of backwardness, of underdevelopment, of drudgery.

The affluent denizen, on the other hand, has frequent access to a far more varied and differentiated lifestyle because he feeds well, he sleeps well, and talks well. He simply lives well. His politics is quite variable, his economics ample, and his ethics is
often so diverse that it probably also requires different theologies and moralities to straighten it out for him.

However, since the affluent are so few and the penurious so many, pretty soon and by some sort of statistical averaging process, the quality of the national life itself gets characterized by the quantity of penury, monotony, and drudgery of the poor. And, it will remain a lifestyle of wretchedness so long as the poor continue to multiply in their poverty and the affluent slacken in their pursuit of initiatives expanding the opportunities for a more differentiated national life cycle. In which case, the very differences that have made for a somewhat more exciting lifestyle among the affluent do not get integrated toward a process of growth that expands the lives of most people. The rich grow richer, but the nation as a whole is really poor. There is no welding of differences. There is only increasing divergence that eventually builds up to impasse, frustrating everybody's hope to be a little more today than he ever was yesterday. Instead of national development, there is simply national poverty.

Where is the flaw in the situation? It is in the absence or diminution of effort to keep it expanding into an increasingly differentiated structure, in the failure to expand economic opportunities for most people, in the inability to make possible for the multitudinous poor those very variations or differences that make life exciting for the rich and enormously bearable. In short, the flaw seems to be the lack of will to grow together as a nation, with the largesse of the rich making up for the inadequacies of the poor to lift both to a higher level of life.

In their circumstances, the poor of course can do very little to get them out of their poverty. In other words, the initiatives for development are with the rich. That is the morality of economic growth in an uneven world, and its demands on the rich are as compelling as those that any other kind of good morality requires of its adherents.

The big question is how to evoke such initiatives and enthusiasms for growth. This is a human problem, and it calls for human solutions. It is so very similar to the problem that faces the good teacher of trying to get the best performance out of a
very capable group of young minds, evoking their sense of wonder, and challenging their capacities to the highest level of achievement they can deliver, even as he knows only too well their own tendencies to slacken into mediocrity. And as any good teacher can tell, much of the solution to this problem, which is really a problem of growth and development, depends on the mutual trust, the mutual benevolences, the mutual charisms that pervade the entire climate of the teaching activity or of the growth process. The solution still requires a lot of leadership, the leadership of persuasion, serviceability, and love.

This is not the only solution, of course. One can also compel effort, intimidate another to action, and perhaps conjure up some results in the process. But this is done usually under a leadership of coercion, in an environment of fear and suspicion, and a situation of doubtful transitions. The quality of response it evokes is strained. Workers plod to their work, investors become excessively chary, even as banks are holding too much liquidity and the money rates are down. The whole pace of growth is hindered rather than fostered.

In other words, a lot of what we call human progress springs from the spontaneity of inspirations and actions of ordinary men and women exercising free choice. It is their decisions that effect the changes which constitute development, and not any impersonal, superhuman force that styles itself as capitalism or whatever. If we must strive toward development, then we must also strive towards the culture of its environment, of free choice, personal initiatives, and mutual trust.

In reality, however, free choice, initiatives, and trust are translated in operable structures or organization in order to yield the growth they promise. This brings me to the final point of this paper, the organization of private initiative for development.

First, it is important to recall that organization is simply a tool to get things done efficiently. It is only idle minds that organize for the sake of presenting impressive organizational tables and flow charts to an unsuspecting public. This would be a measure of the highest pretension, since life is so much larger than these tables and charts can ever hope to describe. It follows from this,
therefore, that existing organizations that already do their jobs well need not be ensnared by a continuing stream of government regulations which tend more to cramp their style and in the process diminish their contribution to growth and development of the nation. The demands of growth are so numerous that time should not be lost on retooling organizations that run fairly well. In fact, the very notion of a social renewal implies that one economizes on change, that is, one changes what really needs to be changed.

It must also follow that organizations that clearly mess up their jobs have to be swiftly rationalized, by private or public efforts. Here, however, it is crucial that the sources of disorganization are correctly identified, whether they issue from private mismanagement or from public carelessness, or from both in varying degrees of collaborative failure. If government intervention becomes really necessary, it must be applied just at the right amount and only temporarily for a number of very obvious reasons. First, the government has its own job of keeping peace and order, ridding its administration of incapable personnel, and formulating measures of social justice. It has to do its job well, as much as it expects the private organizations to do their job well. And unless it has unlimited supplies of good manpower, pretty soon it may find itself spread too thin over so many rehabilitating operations that it fails to police our streets as it should, collect our garbage as it must, and repair our roads and ports as it alone can. At which point, the government itself may have to be rehabilitated too.

Secondly, as we have taken pains to show in the previous parts of this paper, both the quality and the momentum of growth and development depend vitally on private initiatives and private visions, however blurred these might have become as in the case of poorly managed businesses. In our own particular case in the Philippines, the progress we have had in the last 25 years, inadequate as it may seem to a young and ambitious nation in a hurry to grow quickly, has been in large part the result of ordinary men and women exercising personal initiative in getting businesses started and going. Such a spring of development has
to be nourished. It can quickly dry up, however, with the sort of government presence in business which suffocates rather than stimulates economic effort.

What then is the correct attitude that government should maintain if it earnestly hopes to encourage a quicker pace of development in this country? From what has been said so far, it would seem that government participation in economic growth and development be limited to supporting private initiatives in their effort to create economic opportunities for most people. There are two levels of operation at which it can do this. The first is in the matter of doing very well the economic function that governments anywhere normally perform: the production of goods and services which private organizations cannot hope to do adequately, such as the supply of roads, drainage and sewage systems, inexpensive energy, safety of our neighborhoods, and the care of our waterworks and the feeble in mind and body. This is already a lot of work in itself, especially if it is to be done with some quality. The second level at which the government supports the private effort to accelerate the development of this country is in the matter of public policy about money, taxes and expenditure, the stability of our currency in relation to others, and its general openness to initiatives for growth.

What of economic planning then? The participation of government in economic planning will obviously be in some relation to the volume of its own participation in the level of national economic activity, where its direct influence would be most visible. Our national income accounts tend to indicate that at best government participation in the annual flow of goods and services that gets produced averages some 15 per cent of the total activity. It is a handsome fraction of work that requires as much rationalization as the other 85 per cent that is principally mobilized by private efforts. Planning in this sense, therefore, has the main function of anticipating the requirements of private initiatives for almost every form of human and nonhuman infrastructure and supplying these in the right quantity and quality, in the right places and at the right time. This represents a lot of imagination and stamina, as well as a lot of conviction that it is
private initiatives more than anything else which will eventually generate those wrinkles about our national economic structure which we call development.

Let me briefly summarize the case for private initiatives in national development. We started by saying that what constitutes development is an increasing differentiation of the economic structure of the nation. This presupposes that differentiation is possible, and is a striving of the people. Differentiation makes available an increasing array of goods and services, which, when distributed more or less evenly across the broad range of our population, makes their lives more exciting, more colorful, and invariably more substantive. It makes possible so much more interaction and interdependence among us that national unity becomes not only a reality but probably the most crucial element in getting us to move together and keep growing together.

But, continuing differentiation is in large part the fruit of private initiatives, imaginings, and enthusiasms, most of which are spontaneously generated in an environment of personal free choice by ordinary men and women. Hence, such initiatives must be nourished and maintained by the structure of government, because so much of their spontaneity, effectiveness and stamina can easily evanesce in the heat of an overzealous and misspecified government intervention in the economic process.