

philippine studies

Ateneo de Manila University • Loyola Heights, Quezon City • 1108 Philippines

Economic Dilemma of Asian Countries: Asian Drama

Review Author: Michael McPhelin

Philippine Studies vol. 17, no. 2 (1969): 359–362

Copyright © Ateneo de Manila University

Philippine Studies is published by the Ateneo de Manila University. Contents may not be copied or sent via email or other means to multiple sites and posted to a listserv without the copyright holder's written permission. Users may download and print articles for individual, noncommercial use only. However, unless prior permission has been obtained, you may not download an entire issue of a journal, or download multiple copies of articles.

Please contact the publisher for any further use of this work at philstudies@admu.edu.ph.

<http://www.philippinestudies.net>
Fri June 30 13:30:20 2008

excellent text, no doubt. Most of the basic facts have been assembled and organized so as to present a very adequate overview of the subject (possibly, the only hardly relevant slip, occurs in p. 105, where it is said that, "sedatives depress the threshold of neurons...", where it ought to be said that "sedatives *increase* the threshold of neurons thus reducing nervous activity"). But the work itself is one of modest scope, and the treatment of topics is far from comprehensive. The number of references remains in the neighborhood of one thousand, and there is a heavier reliance on secondary sources (Compare this work with that non-textbook written by S. Grossman, "*A Textbook of Physiological Psychology*", and the difference is obvious!).

Dr. Morgan's *Physiological Psychology* is a carefully written, carefully edited work. It is strongly recommended for the student, who, although not committed to becoming an experimental, or a physiological psychologist, is simply curious to know what the field of physiological psychology is all about.

LEONEL CAMPOS

ECONOMIC DILEMMA OF ASIAN COUNTRIES

ASIAN DRAMA: AN INQUIRY INTO THE POVERTY OF NATIONS By Gunnar Myrdal. New York: Twentieth Century Fund, 1968. Volumes I, II, III, 2,221 pp.

This book has already been described as a monument and a mine. It is prodigious, erudite and critical. One tends to agree with J.K. Galbraith that it deals with "perhaps the most important subject facing the human race today." More to the point is the competence with which the subject is handled. Gunnar Myrdal is widely regarded as the "world's top social scientist." This work occupied ten years of his life; he was assisted by a highly qualified team and their efforts cost over a quarter of a million dollars.

It is so big a book that one tends to read it topically, like an encyclopedia. Instead of an over-all review, what is offered here is a comment or two. One of the book's splendid features is a series of Appendices, each one an expert and fuller treatment of a subject already considered in the text, but with pertinence far beyond Asia. Among the topics covered are Planning, Economic Models, Population, Income per Capita and Tropical Climate.

This last is a very model of compression. Though it has little new to say to students of Ellsworth Huntington, for others it can be a revealing introduction to a subject whose importance here can

hardly be overstated. It concludes with compelling persuasion that "the consequences of tropical climate are for the most part handicaps." The obstacles block not only *economic* development but every human achievement dependent upon high levels of energy and efficiency.

Never known as an idler, Myrdal attests that he worked harder on this book than ever before in his life. What made the task so difficult is its central idea, "that history and politics, theories and ideologies, economic structures and levels, social stratification, agriculture and industry, population developments, health and education, and so on, must be studied not in isolation but in their mutual relations." The author's own appraisal of the results is sobering. "Never have I felt so far from being able to present something resembling the final truth about a matter."

He is scarcely to be blamed for failing to answer to his own satisfaction the many tough questions he raised; he deserves praise for raising the questions and attempting even tentative answer. The book started out to be a study of actual conditions in South Asia, the prospects for development, and the main policy alternatives facing the national governments. It was not intended as a critique of contemporary development economics. Nonetheless, it turns out to be a thought-provoking one.

A single example, of particular relevance to the Philippines, has been chosen to illustrate this, a theme of Myrdal's which goes right to the heart of *An Inquiry into the Poverty of Nations*. The example chosen deals with the role assigned to the consumption of current income as opposed to saving for investment in capital assets. Raymond J. Saulnier would describe it as one of Myrdal's efforts toward breaking the hard crust of the accepted wisdom of the established professionals.

What is impressive about developed economies — think of Western Europe or the United States — is the help which capital instruments and infrastructure lend in raising a feeble man's productivity. What mere man can haul thousands of tons of freight hundred of miles a day? No man, except he who sits at the throttle of a powerful freight-train. What gets designated as the high productivity of the modern worker is in great part attributable to the kind and quantity of cooperant capital tools with which he works. The conclusion looks obvious. In order to develop the productive capacity of your economy, form capital assets. Build factories, equip them, provide transport facilities and so forth. The process is exacting. You may not eat up in consumption all your current output. You must save some, in order to build up the economy's stock of real capital assets and thus increase the productivity of labor.

Myrdal offers just the opposite prescription. To increase the productive power of the people in this part of the world, do not decrease consumption in order to increase savings; rather increase consumption and direct it productively. The sequence valid for Australia and Canada and Denmark — save and invest and grow — must not be followed naively in a place like this. The reason is that economists define consumption and investment arbitrarily. That is not a complaint. The line has to be drawn somewhere between expenditure on consumption and expenditure on investment. Investment is defined as the formation of capital assets: plant and equipment, public works, structures of all kinds, the building up of inventories, and expenditures on research and development. Everything else is consumption, including expenditures on schooling and medical care. It is clear enough that the way to attain higher levels of output and of product per man hour where levels of consumption are in general adequate, as in Canada, Australia and Denmark, is to save and form capital. But this is not the way to increase production where consumption is insufficient. Expenditures on nutrition, health, schooling and clothing are calculated as consumption. Yet the work done by a worker — its quantity, intensity, efficiency, accuracy, regularity, originality and eagerness — depends upon the energy and skill of the worker. One confronts in this country the widespread problems of undernourishment, bad nourishment, morbidity, low stamina and weak resistance to disease. These can be traced to climate and to poor diet. Not much can be done about climate. But a vicious cycle can be turned into a beneficent one where better diet, conducive to harder and better work, will lead to higher output of food and all things, including a further improved diet and better care of health.

Myrdal presses his point a step farther. It is important not only to increase consumption but to direct it selectively: toward better nutrition, health and schooling. Since not all needs can be filled at once, some must take second place; for instance, the need for more and better housing and clothing. The example of the Soviets is cited in confirmation of this choice. Their people are still narrowly housed and drably clad. But they are well nourished, healthy and better schooled than ever before. They have managed to become a world power in spite of scanty housing. Once it has been said, it is evident that a prudent rise in consumption will raise production and productive power in lands where underconsumption is pathological. Particular attention is directed towards schooling and the quality of primary education; until people can read and write and reckon, not much is to be hoped for. It is worth repeating that man's first needs are not food, clothing and shelter. The prime necessities of life are food and health and education.

In brief, capital assets are valued for increasing man's capacity to produce. But one's first concern must be over the man himself.

He is far and away the most vital of the factors of production. The idea of "investment in human resources" is by no means new. Myrdal can be credited with giving it a fresh emphasis and a deeper comprehension.

A final word needs to be said about the depressing impact of the book. The melancholy tone of its subtitle — an obvious twist of Adam Smith's title — continues to reverberate in the conclusions the reader forms as he works his way through *Asian Drama*. Just as the poor have learned to live with poverty and have grown used to it, so must we all. For fully ninety per cent of Filipinos, though in widely differing degrees, it is normal. It is all they have ever known, all they will ever know. Its roots are so deep and sturdy that we have to acknowledge realistically that it won't come out like a loose tooth. Poverty is a scandal and an offense where there is a practical alternative to it, where poverty is unnecessary, contrived, man-made. Some of it is, to be sure, but not that much. We simply lack the power to produce enough to support in comfort people who are multiplying so fast as to double in twenty years. This is not to be blamed on the rich or the landlords or the hierarchy — not even on the politicians. It would be madness to react to chronic poverty as we do to a crisis, with panic and frantic actions; yet we are not allowed to relax our efforts to conquer it. Myrdal offers us a piece of sage advice. Be more concerned over nutrition, health and schooling than over squatter-settlements and shanty-towns. These are bad, admittedly; but hunger and ignorance are worse. To serve your fellow man wisely and well, teach him. Better still, teach his teachers and guides.

MICHAEL MCPHELIN

CONTEMPORARY PERSPECTIVE OF THE BIBLE

MISSION AND CHANGE, by Emerito P. Nacpil Ph.D. Manila: The East Asia Christian Conference, 1968. IV, 142 pp.

After reading this book of Bible studies published by the East Asia Christian Conference for use among its member churches, I can say that I fully agree with the words written in the Foreword by D.T. Niles, Chairman of the same Conference: "Dr. Nacpil teaches in the Union Theological Seminary in Manila and is one of the most forceful younger theologians in Asia. His book will commend itself by its own intrinsic merit."

In the Preface, the author explains that the material published in this volume consists of Bible study lectures which he gave in Galveston, Texas, in 1968, about the topic: How God effects change in