

**Management And Society In The Asia of Tomorrow**  
**by Mr. Anand Panyarachun**  
**Chairman of Saha-Union Corp., Ltd.**  
**Delivered at the Asian Institute of Management**  
**International Conference**  
**Shangri-la's EDSA Plaza Hotel**  
**Manila, Philippines**  
**February 18, 1993**

We are living in a world of momentous, far-reaching changes.

Film devotees among members of this distinguished audience may be familiar with a recent motion picture called "Forever Young". It is a story of a young man frozen in a capsule decades ago as part of a scientific experiment, who now wakes up to face an unknown and mysterious world - "a terra incognita", full of strange objects, customs and life-styles. A sort of latter-day Rip Van Winkle, one might say.

A student or practitioner of international affairs, similarly frozen and now woken after some thirty years of slumber, would similarly find himself on a very unfamiliar terrain indeed, a terrain where many old landmarks have disappeared and have been replaced by new features, motifs and forms.

He would be faced with a strange, bewildering world.

- A world where the Cold War, a divided Germany, the Soviet Union and the Soviet Empire have become history.
- A world where the rulers of Moscow, successors of Lenin and Stalin, speak the same language of freedom and democracy, market economy and peace as their counterparts in Washington, DC.
- A world where the United States of America, remains the sole super-power but has much less influence to shape her own and the international community's destinies than before; a world where the achievement of American strategic and ideological primacy is rendered largely inconsequential, firstly by rapidly growing global inter-dependence, secondly by the emergence of economics as the issue of paramount concern, and thirdly, by the emergence of new centres of economic power and political influence.
- A world where enduring geo-political and ideological schisms between East and West have given way to shifting, pragmatic alignments of States; a world where stark disparities between North and South have been obfuscated as a result of the economic stagnation of many an industrialised nation, and the successful economic performances of

several dynamic economies in the developing world, particularly in east Asia.

- A world where more and more governments have begun, to conceive the meaning of the word “security” in a more comprehensive and constructive manner: that is, not only in terms of strategic and military requirements, but also in terms of fulfilling their own people’s demands for better standards of living, improved quality of life and greater participation in decision-making processes. In terms of addressing some of the broader issues, relevant to the well being of the international community as a whole, particularly where the questions of human rights and environmental protection are concerned.
- A world where the primacy of the concept of “raison d’état”, which places the requirements of the nation-state before all else, is being visibly challenged by the spread of the notion of individual rights, that transcend the concerns and interests of the nation-state.

To be sure, the Cold War world had been a dangerous one indeed, with the vast arrays of nuclear weapons, posing an apocalyptic threat to the existence of mankind.

I believe that, during the nearly five decades of its existence, in many ways it had also been a world of enduring simplicity, a world of seemingly black-and-white clarity.

For, over that lengthy period of time, there appeared to be clear lines of division and patterns where the questions of human rights and environmental protection are concerned. Allegiance among protagonists; clear distinctions, between what was right and what was wrong, between those who were rich and strong and those who were poor and weak. What the rich and strong could rightfully do and what the poor and weak could not. There also appeared to be clear problems to be addressed and un-ambiguous approaches to their resolutions.

In such a context, the task of leadership in both diplomacy and governance, I believe, was also relatively simple. It was primarily the organisation and application of political power in accordance with certain sets of priorities and in pursuit of certain sets of goals. The post-Cold War world, on the other hand, is one of change and complexity.

It is a world characterised by moral and ideological ambiguities and certainty; by changing norms and values, attitudes and beliefs: by shifting priorities and allegiances, shifting political alignments and patterns of power distribution. By an ever-increasing multiplicity of strategic, political, social and economic demands and requirements, generated by a variety of sources and pursued by a variety of actors, ranging from nation-States to NGOs, organised interest groups and “ad hoc” coalitions of individuals.

In the post-Cold War world, the task of leadership in both diplomacy and governance is one of immense complexity. Organisation and application of power, continues to be important, for politics is still politics, and in politics, power continues to be an important source of influence.

Where the challenge is to respond to a wide-ranging set of demands and requirements in a context of change, uncertainty and ambiguities, the quality of leadership rests on the capacity. Firstly, to utilise one's limited resources to address as many issues of concern as possible. Secondly to reconcile such demands and requirements where they conflict. Thirdly, to re-organise the use of one's limited resources and to re-formulate the existing agenda in such a way, that one's future capacity to address the issues of concern and reconcile the conflicts among them is enhanced.

At the present juncture of history, the primary task of leadership is to manage a complex and sophisticated agenda, taking into full account the diversity of views and setting correct priorities. It is also to manage in such a way that leads to a consensus on the vision for the future.

In this era, politics is not the art of the possible as such but, more accurately, the art of managing the seemingly impossible in the most effective manner!

The conception of leadership, in terms of management, has been popular for some time in the western world. It has been generally perceived to be only applicable in the context of western societies' diplomacy and governance.

Certainly very little has been written or said about the relevance of this concept of leadership to Asia. I suspect that one cause of this omission is the assumption, held in many quarters, that Asian societies are traditional, by nature, and in Asian traditions there is a preference for strong -- or some might even say, authoritarian-- leaderships, which leave little room for alternative types of leaderships. Another, and I suspect the more underlying cause, is culture-bound mind-sets: Management is all about modernity, thus how can Asian societies, most of which have only recently emerged from the state of political and economic under-development, possibly understand and benefit from such a modern concept?

Diplomats and businessmen are taught to be realists. As an ex-diplomat working in the business community, I am very much a realist. Thus I will be the first to admit, that there are some grains of truth in many westerners' conclusions regarding the traditional nature of Asian societies and their affinities to strong leaderships. This is perhaps most evident in the fact that, while the communist regimes in the former Soviet Union and eastern Europe have collapsed to be replaced by a variety of democratic arrangements, communism as a system of governance has still survived in some parts of Asia.

To dwell on traditions and traditional affinities is to overlook or ignore the essence

of many a contemporary Asian society. The fact is Asia, particularly in its eastern-most stretches, on the rim of the Pacific Ocean, is the most rapidly changing continent in a world of momentous and far-reaching changes. Because of the nature and extent of the changes that have taken place, as well as the complexity that these changes have brought to Asian societies, it, in my belief, is the most necessary and appropriate concept of leadership for Asia, now and for the foreseeable future, is management of political, economic and social issues in a balanced manner.

Let me explain:

During the last two decades, and particularly during the last ten years, Asia's economies have expanded at an unprecedented rate, despite the persistence of a number of serious regional conflicts.

During this process, many of these economies, mostly located on the western Pacific rim, have become, and continue to be, increasingly diversified, industrialised, and integrated with rapidly growing global systems of trade and investment, banking and finance, communication and telecommunication, technologies and information. The most notable cases are the four so-called "Tigers" of East Asia, and some aspiring "Tiger Cubs".

These changes in turn have transformed, and continue to transform, Asian societies, with far-reaching implications or consequences for their systems of politics and governance.

As a result of unprecedented economic expansion and multi-dimensional integration with the various global systems, Asian societies are becoming increasingly pluralistic.

This pluralism is manifest in terms of the emergence of new social groups, especially the educated and the middle classes. Of political-cum-economic constituencies, connected, for example, with agriculture, manufacture and industry, commerce, banking and finance, or a combination of these. It is also manifest in terms of multiplicity of issues that are of concern to members of these changing societies, ranging from questions of international trade, investment and finance, to problems of prices of agricultural products and quality of land and management of water resources in various localities.

Also as a result of the processes of growth and integration, educational systems have been and continue to be significantly improved and expanded, and accesses to domestic and trans-national sources of ideas and information enhanced in both quantity and quality.

These changes, in turn, serve to raise the level of political awareness, making such questions as political rights and economic freedom, personal liberties and community interests, political participation and accountability, critical issues in the

government and politics of these societies. Heightened political awareness, increases the possibility of political mobilisation, not only over these fundamental political principles, but also over specific problems thought to be affecting the well being and the progress of individuals, groups, communities or societies at large. Ranging from conditions of work, to environmental protection and access to land and water resources.

To put it plainly, contemporary Asia is characterized by change and complexity.

In this context, the task of leadership in Asia, I believe, is necessarily one of management: that is, one of managing rapidly changing societies, which are deeply affected by rapidly changing times and circumstances. Are caught up by rapidly growing multiplicity of demands, generated by a variety of sources and by a variety of actors.

I would venture to argue even further that, given the pace and extent of change in Asia, the need for management as a tool of leadership is much more pressing here than elsewhere in this global community of ours.

In the context of change and complexity in economic and trade areas, the task of leadership is to manage the process of integration so that the country benefits more and suffers less from inter-acting with the outside world.

It is not in question whether one should opt for security or development, “guns or butter”. For security without development, creates conditions for political and economic malaise, which can ultimately undermine security. At the same time, development without security can make the nation and the people prey to external interventions. In this question the task of leadership is to manage the allocation of scarce resources to buy sufficient “guns” to deter threats and spend enough on “butter” for the people.

It is not in question whether one should choose economic growth or environmental protection. Growth without conservation means sacrificing one’s long-term future for momentary gains and creating conditions for political, social and economic conflicts and tensions, which can undermine future growth. Conservation, without growth, is Utopia to champions of the cause of environmental protection, but calamity to others who expect, and have the right to expect, improved livelihood. The task of leadership, therefore, is to manage the process of growth, in such a way that it is ecologically sustainable.

Finally, I believe that it is no longer in question whether one should opt for economic development or democracy. The twain must proceed together.

Much has been written and said about the necessity for choice in this question in the context of Asian societies. Asians, so one argument runs, have no democratic tradition or democratically oriented political culture. Thus economic development should be given priority in the short-to-medium term, so that it can give rise to

social and economic conditions more conducive to the development of democracy in the longer term. Asians, counters another argument, have become so closely integrated with the outside world and come to share so many political, social and economic expectations with the outside world, that democracy is the only possible form of governance which could provide the requisite political and social underpinnings for promoting human rights, future material well-being and progress.

Both arguments are prisoners to cultural mind-sets.

Economic development, without democracy, creates, on the part of the regime, a propensity towards continuation and entrenchment of authoritarianism, which, if not addressed, could generate grievances, political mobilisation and unrest, and ultimately constraints on further economic development.

Democracy without economic development is inherently unstable. On the one hand, emphasis on the exercise of political freedom, without due regard to the question of performance and responsibilities of governance, could give rise to potentially dangerous irresponsibility and license. On the other hand, failure to deliver the “economic goods”, failure to meet expectations of improved livelihood, could only lead to questions regarding the legitimacy of the system of governance itself, and to conditions which may finally cause a disillusionment and rejection of that system.

The task of leadership is to manage the allocation of political and economic resources in such a way that economic development and democratisation can proceed hand in hand, progressively and steadily steering a middle course and avoiding attaching too much importance to one at the expense of the other.

This task is by no means an easy one. There is no single blueprint or textbook that can be applicable to all Asian societies. At minimum, I believe that the task of management in this question must be discharged in accordance with two fundamental principles.

The first is that the challenge must be undertaken in an “Asian” way, that is not through borrowing ideas and experiences indiscriminately from western societies, but through building upon indigenous cultures and strengths. In particular, this means that the “democratic revolution” should be promoted in an evolutionary manner, with emphases on consensus-building, tolerance, and pragmatism.

However, this first principle is not sufficient in itself.

An evolutionary process of democratisation is necessary, but it may lead to too great a stress on the form, rather than the substance, of democracy, thus rendering the system of governance superficial and ultimately fragile.

Consensus-building is also necessary, but it must not be an end in itself. For it may lead politicians merely to cater to the demands and requirements - and whims - of

their constituencies, and thus generate political parochialism which has no place in today's world.

Furthermore, too great an emphasis on consensus building may cause excessive caution and hence political inaction.

The second necessary principle, is that the evolutionary process of democratisation itself must be managed, so that at critical points the process can be "fine-tuned" to respond to changing times and circumstances, or can be pushed forward where there are hesitations and obstructions. This in turn requires the "traditional" qualities of statesmanship, namely competence, vision, commitment to principles, unquestioned integrity, courage of conviction, and willingness to make sacrifices, on the parts of leaders.

A democratic regime, to be sustainable, must be one which represents the mainstream of society, respond in an effective and tangible manner to the aspirations of the people, and above all act as the final arbiter of the many diverse and special interest groups.

President Truman wisely put it in simple terms, "The buck stops here"!