

TO BE OR NOT TO BE, THAT'S NOT THE QUESTION: FALLACIES IN STEREOTYPING ECONOMIC AND DEVELOPMENT STRATEGIES

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All men are ready to invest their money
But most expect dividends
I say to you: *Make perfect your will*
I say: take no thought of the harvest
But only of proper sowing

-T. S. Eliot¹

This conference focuses on the market economies and how various countries hope to enhance their potentialities and growth by selecting and implementing the “correct” approach to marketing and development.

In explaining this theme, the conference organisers have made two assumptions. The first assumes the existence of two broad streams in development and economic strategies. Although not specifically mentioned, the two are the non-market oriented socialist model and the market-sensitive version. I do not think the organisers have in mind the United States and Japan as the two versions. The second theme mentions those successful yet “aberrant” market economies. This term is applied to the successful Asian NIEs which, to quote the statement, “have shown developmental patterns that are somewhat different from the traditional Western model of development, and thus have challenged, in a more serious way, the conventional understanding of market economy”.²

I am more inclined to let the first assumption unchallenged. However, this is made difficult when the next assumption cannot go unnoticed. Why should the NIEs be aberrant even if one is to accept that this word is not used in a negative sense. My well-used and trusted Webster New Collegiate dictionary defines this term *inter alia* to mean “straying from the right or normal path”, and a mode of “behaviour departs substantially from the standard”.³ In my mind, a person using the term “aberrant” should thus be unequivocal as to what constitutes the “proper” standards. This is even more so if those using the term are presumably social scientists

1 “Choruses from the Rock”, in T. S. Eliott, *Selected Poems 1909–1962* (London: Faber & Feber, 1974) p. 163.

2 “Introductory Statement” affirming the holding of this conference, p. 1.

3 *Webster Collegiate Dictionary* (Springfield, Mass: Merrian, 1976) p. 2.

and for whom the choice of suitable or appropriate vocabulary is the norm rather than the exception.

The market economy or mechanism is only an approach which can be adopted by a polity for its development or growth process. It is also a measure that is not necessarily associated with the 19th century or with the thinking of Adam Smith (and his *Wealth of Nations*) and other advocates of the free market. Economic historians, including those familiar with ancient history, could probably point to many past societies that tolerated the market mechanisms as a determinant of individual and public needs and indeed, it may make sense to refer to some of these developments to show that the predominance of the market or a freer approach to production and consumption had been one of the mainstays of public policies in the past.

This uneasiness indeed has prompted me to expand the theme which I had originally wanted to discuss in the hope that by reviewing some of these assertions on development and economic strategies, I could contribute a bit of justice to, as stated in the conference invitation statement, "reconsider the concepts and theoretical frameworks social scientists have hitherto relied upon". The first section of this paper will thus focus on this issue. The main contention is that we should not go by any idealised "norm" as to what constitutes the most effective or valid features found in a market-oriented process. The extent to which a polity participates in such a type of economy (and development) is obviously affected by many factors which are not necessarily economic in nature. This section will also give some focus to China and Japan to see how the concept of the market mechanism was treated in their history.

The second section examines the pressure for a more deregulated economy. While the focus is on Japan, it is nonetheless still relevant to other countries including those which have yet to achieve developed status. The fact that Japan is highlighted for the discussion is obvious for it can be a harbinger of change for the Asia-Pacific region. It is argued that a "freer" Japan will optimise and accelerate not only its own development efforts but in others as well.

The final section looks at Singapore as one of the countries which tries to maximise the utmost from the market economy for its development and growth process. Even then, it does not necessarily adhere to all the features associated with versions associated with the American or the Japanese models. It is the logic for survival which provides the main driving force and it is this desire to maintain corporate survival which has led the leadership to pursue policies that eventually ensure a higher level of viability for the country. It is true that Singapore is now more closely identified as a "developed nation", but this has not reduced the survival instinct among the elites or the people.

I Looking Beyond the Myth: No Deviations, Only Derivations

There are scholars, especially those trained in the west or influenced by western-based writings, who may view the "west" (presumably, a term which is used to include the United States and Western Europe) for the appropriate or standard indices in defining the "market approach" to development. There is no need to refer to Adam Smith or his classical writings to show the importance of the market mechanisms. Most business cycles are explained in terms of variations in demand and supply and or introduction of qualitatively different products which in turn would spin-off new supply-demand variations.

The concept of a market economy implies the presence of a few tangible variables, viz., consumers, choice of products or options, a relatively freer financial (or distribution) mechanism, acceptance of the pro-business legal system, and a committed political leadership. Undoubtedly, technology or communication advances would enhance the market economy for more resources could be optimised and competition enhanced. As an example, I will cite one instance drawn from dynastic China. In the declining stage of the Tang dynasty, a highly efficient team of dispatchers was already available and one of the immortalised roles assigned to this team of riders was to relay freshly plucked fruits (namely, laichee) from the southeastern China to the capital so as to enable the emperor's favourite concubine, Yang Kwee-fei, to enjoy them. The use of cheap, efficient and frequent air freight has broadened the consumption base for perishable products; today, even the relatively poor people in countries like Taiwan and Southeast Asia could have access to the laichee fruit and presumably, in much more qualitatively-superior conditions than what Yang Kwee-fei could access.

Indeed, the improvements in such applied technology have created fresh awareness of the market economies inasmuch as they could also cause new public policy problems. Whereas Japan, for example, up to the last ten years could safely assume that very few perishable products would reach the country in time for consumption, and thus no need to worry over the import of such items, the situation today is different. Not only are these products readily available, the producers are also keen to export to Japan. Japanese policy makers are thus forced to deal with more aggressive and intensive market-oriented mechanism generated by foreign producers.

Many of these variables that are mentioned above are constantly undergoing changes in each of those systems which subscribes to this "market" concept. Not all of them are necessarily stabilising, although the problems could be seen in a much longer term framework. The Keynesian idea of creating new sources of demand (including deficit expenditure and issuing of bonds in the absence of revenue) to create

employment to stimulate multiplier effects is already well-known and well tried. Yet, the success is questionable. While it is easy to argue that such public debts could be cleared eventually by revenue surplus in periods marked by surges in economic development, the need for greater leadership discipline and toughness in public policy making is all the more urgent and it is one feature that is hard to come by. A cursory glance at the debts incurred by the American treasury requires little restatement of how important it is to use prudence irrespective of the development or economic policies being implemented. Neither do we need to remind ourselves of the bankruptcy of countries including the recent near-disaster of the Mexico economy which required international efforts to restore its sanity.

It is the changes in these variables which affect the nature and complexities of the market-economies. How to influence the consumers and how are the changes in choices attended to? To state the obvious, there is no way to sell a consumer those services or items he does not require. Predictability is not easily decided and in certain instances, swings in "moods" (for example, fashions, pop culture) or "exigencies" (such as the demand for coolers in the hot summer period) could alter the patterns of demand. Yet, the market mechanism assumes all these can be collated and the established prices adjust the demand: supply factor. The price attached to tickets for say, the Michael Jackson concert could vary in accordance with the fascination for that singer but also hinge on the latest gossips about him.

In a sense, there is no finality in a market situation as the variables are changeable. These changes in turn would determine whether the polity is more prone or less prone to the market mechanism. The United States has been frequently referred to as the acme of the market economy but even then, the phenomena are not immune to non-marketing considerations. For example, should deliberate emphasis on purchase of home-produce be regarded as in accord with a market economy if on the other hand, consumers are dissuaded from trying cheaper (and perhaps, more efficient) imported sources? Raising the "flag" before the "trade" is not a sign of mercantilism par excellence.

Thus, while the United States is generally noted to be pro-market, it does not mean that it is a completely free market. Some arguments and measures that are employed in that country could also be said to be anti-market in content. How do we interpret, for example, the recent pressure by the Americans to force the Japanese to accept American-produced automotive parts in lieu of a tariff on the import of Japanese luxury cars? Were the Americans attempting to modify their consumption trends in favour of the general economic well-being (especially of automobile producers in Detroit) and should not this be regarded as attempts to manipulate the domestic consumption habits or patterns?⁴

Needless to say, the pressure by the American government could be inter-

puted as a protectionist gesture or the use of the so-called massive consumer power to force producers (or their polities) to accept its counter-demands. While much could be said of the Japanese' apparent lack of enthusiasm in opening its market, the maneuverings by the United States could be perceived as a disguised form of coercion. Is the current administration trying to replay what Commodore Perry did in the last century in "opening" up Japan?

In a way, it would be much more appropriate to talk of market economies not in their idealised version. Over time, even the position vis-a-vis the market orientation by any one polity could change. It is important to discuss the factors which could promote the changes, either towards a more pro-market or a less pro-market. The eastern European countries have vouched for the market economy and so have the major socialist countries like Russia and the PRC. Yet, this transformation does not mean they would be faithful adherents of the market. For to the leaders what is important is whether the change would enhance their country's effort to promote a continued sense of wellbeing which can be enjoyed by their people.

The foremost issue would be the definition of the national interest. This may be a vague term as much depends on how each polity views its core and peripheral interests. To those which are endowed with resources (such as land, agriculture, minerals and population), the issue of the national interest may assume a less significant aspect as compared to those for which the margin for survivability is slim. It is true that most political leadership would try to imprint their own ideas on the nation's interest, irrespective of whether they would enhance their country's interest (for example, territorial expansion and long term survival of the ruling regime), but there can be no denial that national interest predominates in deciding how much and how intensive a country should adopt the market as its *modus operandi* of its economic and development strategy.

The first question to raise thus is whether any decision (be it the transition to the market economy or the transition of the market economy) is related to the national interest. This question is not easily answered. For example, was the recent American automotive bargaining strategy to be viewed more as a move in consolidating its national interest? There are of course many benefits which the United States have foreseen in those negotiations. Was that a display it knew it could "win" unlike its negotiations with the PRC and was that effort to be interpreted as merely an attempt to boost the administration's domestic image vis-à-vis the rest of the

4 While this dispute was finally resolved in a "win-win" agreement between the two countries, the basic differences have not been resolved. Through its *Keiretsu* system, there seems to be in existence a cartel system of main and sub-producers which is governed by procedures and which works against the import of parts produced by "non-related" foreign producers. American car manufacturers are undoubtedly frustrated for they have no problems exporting parts and other components to European car producers.

world?

There is no doubt that national interest is sometimes nothing more than a disguised attempt to promote sectoral interests such as the ruling regime or selected sections of the economy. The Japanese are perhaps quite noted for this especially in the refusal or reluctance in freeing their markets in the meat and agricultural products. This is not to say that the Japanese do not want to import from overseas. Quite a lot of their consumption comes from abroad and they are still tapping newer sources of supply. The supply of *edamame* (a type of beans) was exclusively local. As the production was insufficient, there was a reliance on import from Taiwan and the PRC. Today, a large part of the beans comes from Latin America especially countries like Chile. As the latest supply is qualitatively more superior than previous sources, there is likely to be a displacement in terms of input sources. The largest supply of soya beans, an essential staple in the Japanese diet, comes from the United States. The list can go on almost ad infinitum from *uni* (sea urchins) to Disneyland.

Yet, this overt desire to import does not necessarily mean that the country is committed to the market strategy. Imports could be caused by insufficient supply; in the same way, they could also be the result of a balancing of economic and political forces in the country. *Edamame* and *uni* are vital to the Japanese diet, but they are not viewed in the same category as beef. It is not the Japanese do not like beef, but the protests for imports of beef and “boneless chicken” in Japan have always been vociferous. An even more important issue was the import of rice even though with declining acreage of rice fields and farmers, one would have expected the rice import from abroad a blessing.

It may thus been necessary to address the second issue, namely, the market mentality is not necessarily uniform in any society. There are varied responses to what are deemed as suitable for the “market” whilst the more protectionist strategies may have to be arranged for others. However disguised, the truth in this thinking is that restrictive practices could be beneficial to key sectors (or groups of people) in one society and that these benefits should not be diluted by exposing their products or services to the international competition.

The third factor in the market economy revolves round “the need for exchange”. Indeed, this economy was established as early as the beginning of human civilisation. The use of coinage and the existence of bartering would mean the existence of an arbitrary definition of values for items or materials; the existence of weighing mechanisms reinforced the belief that a marketing-type economy could have existed a long time ago. Although it was possible that not all forms of exchanges were based on the market mechanisms and could consist of communal or collectivistic approaches, the price mechanism would be affected by quantity, quality, and the values associated with the society or community.

It may thus be beneficial indeed to look further back into history rather than using the works of Adam Smith as a benchmark in discussing the market mechanism in development. Suffice it to say, some of those issues that were raised previously could be just as pertinent to us today. It is in this context that I would like to look at two East Asian polities namely, China and Japan to illustrate their attempts in managing market economies, namely, China and Japan.

The Chinese example: China has undergone many systemic changes even though the monarchy-cum-bureaucratic structure made an indelible imprint in the past history. Whether known as PRC, China, Middle Kingdom, there is no doubt that this country was a polity since the days of Chin Shih Huang-ti. Even prior to this consolidation, the various "Chinese" states were already concerned with the much broader issues of governance, ethics, morality and well-being.

The importance of commerce, a prerequisite for the monetary economics, was recognised in China since the dawn of its history. Traditional recordings indicated that in 2737B.C., one of the three cultural heroes, Shen Nung, was credited for being the inventor of agriculture and commerce. These "heroes" preceded the period of the "sage kings". To the Chinese, apart from agriculture and commerce, the other key areas that were long regarded as critical to their civilisation were writing, fishing and trapping⁵.

Nonetheless, there were suspicions towards commerce as evinced from the writings of public policy makers and scholars. There were many reasons among which were the tendency to aggrandise wealth (at the expense of the others), the diversion from hardwork to life of leisure which could be made possible by the surplus resulting from a commerce sub-culture, and the undermining of the agriculture base of the state. Yet, the attractiveness of the market was not to be denied and it was more as a counter-measure and in response to the need for commerce and public welfare, that many governments resorted to monopolisation of the distribution system. Basic items required by the society, such as salt and iron, were quickly monopolised and among them were advocates of the Legalist school of thought and practitioners such as Wang Mang (probably, the first Chinese socialist) in the Han dynasty and Wang Ah Shih in the Sung dynasty.

It was not that there were no conflicts in thinking as to whether China should proceed to a market economy or otherwise. The important debate in the Han dynasty on the issue of state control over iron and salt was one such example. However, the opposing school, namely, the Confucian literati, were not very unequivocal on the issue of free enterprise for they were trapped either by their moralistic considera-

5 These three "cultural" heroes represent undoubtedly the beginnings of "Chinese" civilization.

tion or the historical antecedents which undoubtedly were agriculture-based.⁶

Commerce and a market economy were apparently more important with urbanisation and China was not an exception. From a longer term viewpoint, this perhaps was a reason which showed why the coastal areas of China today are much more market-inclined. Elsewhere in the country, it was the case of a few major towns where urbanisation again had a subtle force in making the people more price and competition sensitive.

Public policy making nonetheless provides the overall thinking of how much monetary economics the country should indulge in. Certainly, in dynastic China, the involvement in a monetary market, was delimited as agriculture was regarded as the mainstay of the economy and much of the distribution was mainly in response to revenue-collection as imposed by the authorities. This outlook had affected even the development of the transportation system which invariably tended to radiate from the capital cities.

Viewed from this angle, perhaps the establishment of the socialist-based economy in China since 1949 may not be said to be a new or innovative approach to the economy. The only apparent difference was the subscription to a "foreign ideology" (or Marxist-Leninism); whether this approach was in any way different from past efforts of Legalist-inclined bureaucrats or collectivist approaches as adopted by advisers such as Wang Mang is an exercise which historians could comment on. For the purpose of this paper, this need not be our concern except perhaps to say that the more "market approach" as adopted by the so-called "renegade" province of Taiwan was also not unexpected since it represented the monetary-inclined sentiments of the largely urbanised lot.

The "opening" of China of a freer market economy and the gradual dismantling of the state distribution system are features that are anticipated. Yet, the thinking of the current leaders is not unusual when frequent references are made by them to the need to "moderate" the pace of modernisation and the continued stress on upholding the agricultural sector. These leaders are repeating what were done by past rulers in the past – whilst the lure of the market economy can be irresistible and insatiable, it should not be at the expense of a largely agriculture-based economy on which the ultimate foundation of the polity is to be based.

The Japanese scenario: Considerable writings exist on the economic history of Japan and presumably most people with some interest in that country are already aware of the range of writings. For this paper, I will highlight some issues and see

⁶ There are many historical accounts on China which show the role of the various philosophy schools in shaping public policies. A good illustration is Wm. Theodore Barry ed., *Sources of Chinese Tradition. Vol One* (New York: Columbia University Press, 1960).

how the market economy was treated in the past.

It is true that much more interest is focused on the “resurgent” Japan and its economic and R & D strength. Yet, this current period of economic “superpower” status seems to be a rather brief phase of its history.

Japan was not the place, which Marco Polo once envisaged, of “gold”. It was a segmented society in which social stratification was rather rigidly enforced and whilst there were modifications made to it, there was considerable social rigidity in that country. Until the introduction of the shogunate and the samurai as a professional military force from the Kamakura period onwards, the kingdom was divided into two broad groups. The nobility-cum-administrators constituted a very small section of the society and they had almost all to the levers of power and luxury. Whether it be the Asuka, Nara or Heian era, the pattern was almost the same. For the peasants, life was largely restricted to the agrarian activities. Whatever intrusions into the “market economy” were thus restricted to the urbanised sectors which during the period of Nara was already rather elaborate or internationalised.

The shogunate did not alter the pattern of economic activities considerably although the need to amass revenue for purpose of domestic warfare had exhaustively taxed the resources of the peasants. Until the emergence of the Edo shogunate and the enforced policy of peace, the history of Japan was in a constant turmoil depending on the fate of the military maneuvers of these daimyos.

These daimyos were not unaware of the market mechanism. Whether it was the concern for security and the pursuit of warfare for political survival and consolidation, it became clear that access to a market was important. There were guilds in the various cities to perform functions essential to these daimyos and whether in warfare or otherwise, their roles in the provision of essential services were important. Guilds, however, tended to be exclusive and also had the unwanted intention of restricting access to these goods or services. Oda Nobunaga was one such warlord who abolished these guilds as he felt that they could operate against the wider interest of the society (if not, the daimyo). He thus was in favour of the *raku-ichi* or *rakuza* approach which is a more open-market arrangement. With this new policy, it was freer for product exchange and for more sensitive indicators such as price and competition to be enforced. Nobunaga also extended the open-trading approach by abolishing the regional checkpoints which were used previously as a form of restricting trading practices.⁷

The Edo period was supposed to be a period of rigid social control. The hierarchy became more elaborate and refined. Geographical mobility was reduced even though the enforced *sankin kotai* policy made it compulsory for daimyos to

7 Cited by Lee Kuan Yew in his paper “Deregulation and Liberalisation”, at the Nikkei’s “Future of Asia Conference”, 18 May 1995 p. 6.

maintain parallel families at Edo and to make regular homage visits to the shogun. In regard to the outside world, the shogunate enforced the *sakoku* (or prohibitionist) policy. Trade was restricted and foreigners were not allowed to enter Japan. All these policies, however, failed to destroy the need for a marketing approach to the economy.

For example, whilst the *sakoku* was designed to prevent outsiders from entering Japan and to indulge in free trading, there were provisions to ensure that the country was not completely isolated from the outside world nor its developments. As Marius Jansen has aptly discussed, selective access to the outside markets was possible through strategically located areas such as Ryukyus, Deshima and the Hokkaido areas.⁸ Thus, while preventing outsiders from getting into the Japanese domestic market and to pose problems of stability to the shogunate, the shogun was still able to have access to the goods and services from non-Japanese sources.

Second, there was still available a thriving area that was noted for the market economy. This was the Osaka city which was the main trading area in Japan for all products ranging from rice to sugar and from services such as funding of loans as required by the daimyos or shoguns. The Osaka merchants were not linked to the ruling aristocrats but they had clients ranging from daimyos to a whole range of samurai and peasants. The stories of indebtedness by daimyos to the merchant class were numerous although there was hardly much displeasure with having such a city specialising in the distribution of goods and services as required by the country. Osaka thus became known for its strong sense of competitive spirit and corporate identity that were more aligned with the procedures linked with the market mechanisms.

The market element was not completely denied to the largely agrarian sector. Though largely concerned with rice as this item was largely meant as a form of tax payment, the farmers decided to specialise in non-rice products, especially in those land unsuitable for paddy cultivation. Such production would then be sold for savings or to purchase other essential products such as salt, cloth, and iron-based agricultural equipments. Indeed, during the Tokugawa period, the growth of such commerce-oriented activities was not insignificant. Farmers were producing the specialised crops represented by the so-called four trees (namely, tea, mulberry, lacquer, and paper mulberry) and three plants (namely, hemp, safflower and indigo) as part of these rural entrepreneurial ventures. Other useful plants such as cotton, rapeseed and tobacco were also grown. All these were for industrial purpose and mainly to be purchased by other sectors of the society.⁹

⁸ Marius Jansen, spoke on this theme at the Seventh International Symposium at the International Research Centre for Japanese Studies in Kyoto in 1994. His ideas are also found in his book, *China in the Tokugawa World* (Cambridge, Mass: Harvard University Press, 1992).

II. Current Pressures for the Market Economy

The above two illustrations show that the extent of participation in a market economy is determined by three key variables, namely, national interest, political leadership's perceptions, and the need for exchange. The extent of involvement in a market mechanism would depend on the urgency as felt in these three variables. It is obvious that a community which has to depend on imports of its basic resources and services would be more than duty bound to promote a market economy and to make ardent calls for deregulation and free trade. In the same manner, a largely subsistence-based agrarian-type economy can afford to isolate and insulate from the rest of the world and can deny to its own people the mechanisms for freer distribution and exchange of goods and services.

However, not all approaches can be pursued *ad infinitum*. The opportunity cost of any measure, the constant improvements in communication and transportation technology, and the free flow of information among the people within the polity and across polities are features which no government can ignore. Myanmar, having realised more pro-market than an isolated Burma did not make much headway to the country's stability and development. The East European countries could not ignore the strident progress found in the western sector; the dismantling of the socialist distributive mechanisms is a measure which their authoritarian leaders could not avoid and neither could the demands of their people be constantly ignored.

This is not to say that such a trend is necessarily viewed as beneficial to the affected polities concerned. Whilst it cannot be avoided, the extent of involvement in a market mechanism could be moderated or delayed. The move to a market economy involves structural changes as the previous institutions and values would have to be overhauled and replaced. Not every aspect of a market mechanism, too, is welcomed. Russia has moved considerably towards a freer market. Yet, it is in the throes of this change. Businessmen still have to pressure the government for security (including their personal safety). The vigil which the Russian businessmen conducted in respect of their poisoned associate in August 1995 and the call for more effective protection against the business group is just one example. In the same way, when wages are not able to catch up with inflation, the social costs would also have escalated. Would many ordinary Russian people be happy today with the escalating costs of basic staples as bread, items which, because of enormous state subsidies in the past, were very cheap.

There is still the other aspect which is barely touched mainly because it is

9 See Tsuneo Satō, "Tokugawa Villages and Agriculture", in Chie Nakane and Shinzaburō Ōishi, eds., *Tokugawa Japan*. (Tokyo: University of Tokyo Press, 1990) p. 73.

difficult to quantify. This refers to the value system of the community and how it would have to be modified in view of the momentum of change caused by the market mechanism. In the extreme form of a market economy, the governmental role is no longer interventionist for variations in price mechanisms are conditioned on supply and demand factors. Whether such an approach by the government could go on is questionable for notwithstanding that every item of goods and services has a price tag, there will still be the need to see whether the society can maintain its cohesion and sense of mission. This, of course, is not a problem only today as the Chinese example had shown that even in the past, the extreme excesses of the merchants and the mercantile sub-culture threatened the overall political and social weal.

In a way, it is worth repeating that the extent of involvement in the market mechanism would depend on the perceptions of the political leadership and its assessment of the impact it would have on the people. This choice or decision is not easily decided. The political leaders will have to see how changes resulting from participation in the market economy could affect their calculations in terms of their continued ability to control the society and whether the intricacies of the market mechanisms could induce weaknesses in the polity. It is true that much of these calculations are qualitative rather than quantitative and it is not unbecoming for the elites therefore to intervene, explicitly or otherwise, in manipulating the market mechanisms in the manner which they deemed appropriate.

From this argument, it is easy to understand the role of public policies and why these need not necessarily be anti-market in intention. Nobunaga's decision to free the market was understandable; this was also in line with his firm desire to be the shogun in war-torn Japan. We can similarly understand why the post-Mao Chinese leadership tries to shift the socialist-based economy to one characterised by much freer competition as the "costs" of the previous policy (in terms of growth, access to a wider range of goods and services, and "development") were presumably over-bearing. In any case, the leaders too believed that issues such as political stability are no longer sensitive questions unlike the 1950s when the CCP had then established control over the country.

Shifts to a market economy are expected. In the same way, it is also expected for some reversals as well even though the modifications might not be as extreme as going back to a completely socialist economy. The desire by the United States to ensure certain "balances" in inter-country trade could be interpreted as anti-free enterprise for it goes against many of the features associated with the market economy. Why the desire to impose tariff on imported cars if it is not artificially meant to make its own people change their taste in a deliberate manner? There is, of course, room to justify its action for obviously the American authorities are also keeping track on not just the balance of payment problem but also the employment issue in the coun-

try. A country cannot keep on consuming what others have produced for unless it can pay (or has credit to pay), there will come a time when it will have to bite the bankruptcy bullet.

In the same manner, social values in a society may militate against the market mechanisms. Thus, while the guilds could be abolished by Nobunaga, there are still present in that country today many other form of "guilds". This is found even in the areas of arts and culture. For example, in the area of tea ceremony, it is difficult to avoid learning the art by oneself. There are "family-oriented" groups which a person would have to join and to continue to pay subscription to remain as a member. This is the *iemoto* system and the heads of these establishments are descendants of the original "school". Some of these schools have established branches not just within the country but abroad and the biggest of the tea schools claims to have about two million subscribing members. The same could be said of other arts such as learning the traditional music and the dance forms.

One could have argued that these skills could be picked up by anyone who shows considerable sensitivity and maturity. Indeed, it is possible to argue that some of the *iemotos* who have headed these schools over the generations were not always creative and much as claims could be made for the strength of the genetic code, it is difficult to believe that each successor is the imprint of the ancestor in terms of access to cultural skills or arts. However, any one who tries to learn the art on his own will certainly find it difficult, for unless one has attained a certain level in the skills, the subscribing to a school is useful in establishing a person's credentials.

The *iemoto* system is not the only feature which smacks of the guild. In many East Asian countries, primordial considerations are apparently important in deciding the extent of participation in professional or business role. The Chinese and Indians seem to be more prone to such thinking and many of their enterprises are held exclusively within the established families. Non-family members are frequently denied the chance to participate in making of key decisions. Whether this trust within the established clans (or lack of trust to others) is critical for development is an issue which has been discussed, as exemplified in Francis Fukuyama's writings.¹⁰

Finally, improvements in communication speed and technology have collapsed the "walls" surrounding the local or national markets and making instead, all of them as components of the a bigger global one. There is no need only to refer to the present period for such transformations have been going on throughout history and while the pace could vary in each of those polities, the features were nonetheless clear, namely, the centrifugal tendencies in the development of a bigger market for

10 Francis Fukuyama, *Trust*, (London: Hamish Hamilton, 1995).

sourcing and distribution.

Edo Japan can be used to illustrate the impact of such improvements. Tsuneo Satō has in fact argued that the commercialisation of the peasantry in that period, while eagerly monitored by the political and the commercial classes as they represented additional sources of income and wealth that could be tapped, constituted forces that hastened the collapse of the Tokugawa society by expanding the importance of the market and, arising from such a development, forced new social change to emerge.¹¹ The water communication which was the main form of communication and transportation was supplemented by a good system of road infrastructure (such as the *Tokaido* route) leading to the shogun's capital. It was true that this was due mainly to the *sankin kotai* system (or enforced hostage system over the daimyos), but one important result was the enhancement of the Osaka market. Information flow was improved and the time taken to transmit messages (or money) by "messenger boys" or *hikyaku* dropped from ten days to three and a half days. Needless to say, the cost of such transmission was expensive as the special three and a half day service would be the equivalent of the rice required to feed a family of four over a period of a year.¹² But such services were viable and undoubtedly did facilitate the marketing economy. There were reports of the eighteenth century Shogun Yoshimune¹³ who insisted on a daily monitoring of the rice market prices in Osaka from his base at Edo to illustrate the importance of the monetary-based economy.

The environment today is a much more intense one. Even before the arrival of the latest wave of IT and all its peripherals such as Internet, many products were already priced on a global scale. It is not possible to buy or sell basic commodities or minerals without reference to the prices as established in New York and London. Even the value of the money as found in each of the polities today is subject to fluctuations as decided not only by the strength of the polity but also by the relative positions of other currencies as transacted in the world. Needless to say, no political authorities can afford a completely *laissez faire* approach to the market economy and whatever monitoring considered essential will have to be imposed.

How these are imposed would depend on a range of circumstances. Japan has apparently taken a large part of the blunt as countries ranging from the United States to lesser significant ones continued to bang on its doors for a more deregulated economy. Apparently, the success of the Japanese post-war economy was no doubt responsible for this state of affairs today for had it not been

11 See Satō, *op. cit.*, for further elaboration.

12 Katsuhisa Moriya, "Urban Networks and Information Networks", in Nakane and Ōishi, eds., *op. cit.*, p. 112.

13 *Ibid*, p. 101.

economically strengthened, the pounding on its doors would not be there. (It could well have been the other way such as how to strengthen the country as reflected in what the United States were doing to Japan in the immediate post-war years). Japan has in fact been urged to set a good example not just for itself but for the rest of Asia as well. To quote Lee Kuan Yew in his address at the Nikkei's symposium in May 1995:

As the largest and richest economy in Asia and the current chairman of the Asia-Pacific Economic Cooperation (APEC), Japan is the key player, one which can set the pace of trade liberalisation. By leading an APEC initiative for freer trade, Japan can push the world towards a better trading order, a world which through increasing trade, will increase interdependence between nations and prosperity for all.¹⁴

In citing the extent of a regulated economy, Lee pointed out that that country had 11,000 regulations covering about 40 percent of the economy. Among the regulations were those affecting price stabilisation systems, price-support policies, Staple Food Control Act and Large Scale Retail Store Act.

One of the more common problems encountered by exporters to Japan (especially in foodstuffs) is the range of certifications and documentations before an item could be imported. But this is not only for importers only. Lee mentioned that as a result of having to fill an average of 20 pieces of documents before a product could be retailed, even a supermarket would have to process a flood of such documents before it could even have a good range of products to retail. The obvious result is the upgraded retail pricing, which though not obvious to the insulated Japanese consumer, is at least one-third higher than those in OECD countries.

Lee was a very strong advocate in urging Japan to deregulate its economy, a point which even the American State Department had noted with agreement. Using example, Lee believes that further deregulation would be self-justifiable for Japan as it would:

- (i) boost competitiveness and productivity;
- (ii) stimulate domestic investments;
- (iii) relieve the upward pressure on the yen;
- (iv) help to reduce unemployment; and
- (v) promote key service sector in information networks and communication.¹⁵

However, Lee was not just concerned with an internally deregulated Japan. He looks at such a proposed exercise as opportunities for Japan to exercise leadership roles in the East Asian region. Through foreign direct investments (FDI), technology transfer and increased trade, a jump in the development of the East Asia is foreseen. This would be true especially if the APEC region is also committed to its

¹⁴ Lee Kuan Yew, *op. cit.*, p. 3.

¹⁵ *Ibid.*, pp 4-6.

pace of deregulation. The leadership role which Japan could bear on APEC is deemed critical. Lee cited the July 1994 World Bank report which stated that a reduction of tariffs by half and liberalisation of FDI rules by the East Asian region would account for this region securing 90 per cent of the increase in the global GDP. This is obviously not a small item to be ignored by policy makers, not especially Japan which is seen to have a pivotal role in inducing changes. Thus, the movement to the market economy is not a zero-sum game for most political leaders to decide; what is of concern is how domestic negative effects (even those of short-term variations) could be minimised if greater involvement in the market economy is to be maintained.

III Singapore - Beyond the Narrow Survival Syndrome

Political leaders may not always have the *carte blanche* in deciding the options for their society. Resource-hungry polities will seek a more open market to source their needs. Singapore is in a way a good example of such a resource-scarce polity.

Measured by most indicators – land area, population, types of resources available – Singapore's chances of survival as a polity would seem to be a difficult proposition. When other factors such as security are added, the dimension of the survival issue becomes obvious. There is no need to give many illustrations to illustrate the fragility which Singapore has to contend. In terms of land area, the range of a howelzier could crisscross the whole length of Singapore; in term of resources, other than the absence of essential raw materials and the insufficiency of basic features for survival (for example, water supply), there is no way for the island-republic to insulate itself from the surrounding countries. Extensive forest fires from geographically distant islands of Sumatra and Borneo had contributed to a two month period of haze in Singapore in 1994 and there was little that could be initiated by the authorities in Singapore except to use the essential goodwill to urge the Indonesian counterparts to show extra considerations to this issue of environment pollution. This island-republic is also short of manpower in terms of number and even the existing population's educational background still shows a large section with a relatively low educational attainment. Lee Kuan Yew, the key political leader responsible for Singapore's successful economic attainment, said when he was an opposition member and prior to Singapore's attainment of self-government, that any attempt to give the island independence would best constitute a "political joke". This was the main reason why Singapore had sought its survival as a state in Malaysia but its eviction from that federation in 1965 made it clear too that independence as an entity was a reality and could not be treated as a political joke.

What has made this transformation possible? In 1965 when Singapore attain-

ed its independence, the prospects were bleak. Defence was dismal – there were only two battalions. The economic transformation which the ruling government had initiated since 1959 had not taken off. The Jurong industrial hub had yet to be successfully implemented and the in-flow of investments was insignificant. Social distribution was still far from satisfactorily attained and the percentage of squatters and poorly accommodated people was very high. The massive public housing programme was implemented for a few years and the effects were not very prominent. Employment was not an assured feature.

To add to the dilemmas, there were new problems to concern with. Defence was an issue and so was the need to adjust to the neighbouring Southeast Asian countries in the light of aggravated hostilities caused by Indonesia's confrontation policy and the post-divorce problems with Malaysia. The British, which used to be responsible for a major share of Singapore's defence, was geared to a new policy of non-involvement in "east of Suez" and was wont to remove its military presence in Singapore. Needless to say, defence and employment problems were intensified.

While hindsight viewing of what took place over this thirty year period may diminish the tensions which the Singapore leaders had obviously felt, there was no denying that the efforts were worthnoting. Such success was made possible by having a well-defined basis of understanding which the leaders had with the people. The latter were required to uphold individual and social discipline, commitment to dexterity, have a firm knowledge of the developmental process and the intricacies of the market economy, and a strong desire to foster inter-state cooperation especially in the Southeast Asia region. These efforts have made Singapore a very different polity. The following table gives some idea of the contemporary Singapore economic profile.

Compared to many other countries (OECD and NIEs), the progress of Singapore is more than apparent. It has the largest savings when compared to other countries; its GDP per capita is already close to that of Switzerland (which it had hoped to match by 1999); its inflation is well under control, aided in this process by a very strong dollar; its current account surplus is very healthy; and its external reserves (excluding gold) is enviable, ranking behind Japan,

Table 1. Singapore's current vital statistics, 1994

Land area:	639 sq.km.
Population size:	3.1 m
Life expectancy:	76
Reserves (excl. gold):	\$56.5b
Current account balance:	\$6.5b
Exports 12 months:	\$96.5b
Inflation CPI:	1.8%
Per-capita GDP (PPP)	\$21,493
GDP growth:	7.2%
Savings % of GDP:	48.0%

Source: Extracted from *Asia week*, 11 August 1995 p. 56

Taiwan, Germany, United States and China. If calculated on a per capita basis, the figure would be ahead of all these mentioned countries.

It is not that there are no problems facing Singapore. What is significant is the relative absence of complacency despite the apparent success. The leaders have instilled in the people the urgency for continued training. Productivity and other norms of growth are stressed. The climate to improve the market environment – the domestic and the international – has to be constantly improved.

This “never contented” syndrome is very much a feature of Singapore and also explains for fresh initiatives by both the government and private sectors. In the former, one new trend is to privatise government corporations (such as telecommunications, public utilities, and environment control measures) as one way to improve the market economy. At the same time, the government is a keen advocate of a freer international economy. The fact that the leaders have vigorously campaigned for the eradication of means of control in the international arena can be detected in many of the speeches given by the senior political leaders and their firm affirmation in market-oriented organisations such as APEC.

In the absence of complacency, there is instead the reiteration for further consolidation of what was achieved and exploration of those areas which may assure the country of fresh inputs of growth. In the most recent interview with the **New York Times**, Senior Minister Lee Kuan Yew said that whilst the future for the next ten years would not be a problem, he was not able to predict for a much longer period. There is a need to monitor constantly the international and regional environment and to ensure that policies in Singapore are constantly relevant to these conditions. In the same manner, he said that new policies are tried and there is a fixed time-frame to see whether the expected results are materialising, failing which such policies would be outmoded within a three-year period. This means constant evaluation of tried and new policies all the time. It is not that this government is unaware of uncertainties.¹⁶ For example, in 1985, the GDP growth was negative (or a minus 1.6 per cent) whereas a year earlier, it was a healthy 8.3 per cent growth. In this instance, drastic measures were implemented and within two years, the growth figure went back to 9.4 per cent.

In Singapore, there is a universally acknowledged understanding that growth is both the function of domestic adjustments as well as the accurate monitoring of the international economy. This shows that the market mechanism is perhaps more rigorously enforced in Singapore than anywhere else. This is not unexpected – the margins for survival for a city-state like Singapore are not broad enough. However, what explains its ability to recover and prosper includes prudence and implementa-

¹⁶ Quoted in *Straits Times*, 16 August 1995.

tion of calculated policy-options. The fact that savings are high (a large component of which is government instituted) does provide a fall-back position: a certain ballast is thus available to cushion the economy should there be a downward economic slack.

How much does the Singaporean save? Savings constitute a major aspect of a nation's ability to sustain itself and a further signal of its desire to be viable. The Singapore society is noted for this high level of savings, whatever the forms: usual savings, provident fund (for retirement), insurance and approved investments. The government too is prudent and saves where possible. The *Asiaweek's* compilation of 46 countries (developed and developing) shows that Singapore's savings as a percentage of its GDP was 48 per cent which was the highest of the list. Interesting to note, too, is the fact that most of the key Asia-Pacific economies with very high growth rates also reveal high savings of between 30 to 40 per cent unlike the established OECD countries (except Japan) which show rather modest rates of savings (mainly below 20 per cent).¹⁷ Such savings have obvious advantages for in a freer market environment, it could be a useful "shock absorber" in the event of a less pleasant change of competitive factors or rates of growth.

There is thus no occasion for the country to rest on its laurels. In this year, Singapore has reputedly reached the goal the prime minister had in mind when he said in 1984 that Singapore should attain the standards of living as found in Switzerland. The fact that this goal was attained four years earlier than expected was not sufficient for celebration. The most recent National Day address by the same prime minister pointed out that since the country is now in the "big league" as it has reached a more developed status, it has even to be more vigilant to prevent slip-back. The call is indeed that whilst social distribution will continue to be available, this will have to be matched by harder efforts on the part of the population¹⁸.

How is this vigilance to be achieved? The first is to accept that there will always be well-defined constraints in policy-options. The small market and population are too clear to require elaboration. The country has thus to work within the broader environment. To quote an official publication:

Singapore's economic plans operate within the setting of an international economic, social and political environment. It is important to recognise the changes that are taking place, or might easily take place, in this environment to anticipate potential problems and prepare for them.¹⁹

At the same time, as Singapore is already prepared to move to a higher level

17 *Asiaweek*, 11 August 1995 p. 56.

18 *Straits Times*, 21 August 1995.

19 *Strategic Economic Plan: Towards a Developed Nation* (Singapore Ministry of Trade and Industry, 1991) p. 30.

of attainment, it is gearing itself to expand from what Michael Porter has termed as “factor driven” approach.²⁰ It has to be in a sense, a mini-Japan.

This is one reason which explains why this city-state is always “on the move”. Today, its overseas investment drive is in top gear, and the government, other than implementing useful policies, leads business groups to countries in India and the APEC member-economies where the potentials for investment returns are high. Singapore’s presence in the PRC is already known as seen from the Suzhou industrial part to a wide range of other investments found elsewhere. Singapore is already the top investor in Indonesia and its other activities in the other ASEAN countries and India are already well-known.

Innovation-driven support is a much more difficult exercise. Still, this is not be denied and the government has already injected fresh support to R & D activities for it hopes to promote such activities to the tune of one per cent of the country’s GDP. The private sector is equally encouraged to contribute its share. Overseas corporations, too, are finding the country a healthy venue for its R & D activities as well and it is not unusual to see further injection of funds into this activity.²¹

Needless to say, such changes are never tension-free. Thus, while the government is keen to promote the market economy, it has to ensure “optimum returns” and in Singapore’s case, some of the monitoring could mean re-adjusting or further accelerating structural changes. Some of the changes are almost perennial: the need to constantly monitor wage and other price rises, the removal of manpower-intensive and low valued added products, the promotion of orderly wage increments, the constant upholding of training and productivity and the at times frequent changes in certain policies. Visible changes will constantly be a feature.

Sawmills and cheap cotton material producers have largely disappeared and replaced by more technology based industries; the latter also been replaced to those stressing high valued added and low labour input activities.

Nonetheless, one standard belief of the government (and which perhaps could be a key in its success strategy) is to ensure that the people are beneficiaries of such success. High elite mobility, based on skills and education, is maintained. The people are now housed in government-built public housing units which are in turn sold to them. Further upgrading and privatisation of these housing estates are now pursued by the government as tangible evidence of a pro-people commitment. While some savings are constantly done by the government, further distribution to the people such as “bonuses” and additions to the people’s provident fund scheme or some shares of newly privatised industries are features of this commitment by the govern-

20 Porter’s conceptualisation was cited report. See *ibid* p. 26.

21 It is vital to note that a broad spectrum of corporations of various OECD countries (for example, U.S., Japan and Germany) were capitalising on the incentives offered by the government to promote R & D.

ment.

Not all the policies are accepted in toto by the people (or all the sectors constituting the body politic). Wages are now based on productivity and the types of skills required. This takes a lot of rethinking for it also shows that government is not committed to a welfare scheme. Free market considerations had to prevail and this would also include the compensation system. It is true that compensation could have been influenced by the rather liberal policy of attracting expatriates (of both skills and unskilled) to come to Singapore (and indirectly, also act as a further check on the wage system in the country), but there is a general belief that the compensation system is rather generous. This argument is easily understood for unless expatriates from high salary areas such as the United States and Japan could find the compensation in Singapore equally (if not more) attractive, it would have been difficult to attract them here.

This idea of giving the appropriate compensation to the right skills and calibre is seen in almost all sectors, including the public sector. The prime minister is probably the most well-paid when compared to what other heads of government are getting. However, he does not have the many elaborate perks of office which others are having. The top bureaucrats are also well compensated. In making such decision, it was stated very clearly (and perhaps bluntly) that this was to ensure that this sector will attract the most suitable people to run this nation-state.

This policy does not mean that the compensation for the less educated is markedly reduced. A recent international survey has pointed out that the Singapore's workers are the most costly among the NIEs. Certainly, there is a call for more prudent use of labour if this country is not to be out-costed.²²

This aspect has reinforced the government's belief in frugality and the need for a high level of social discipline among the people. Among the areas stressed are the importance of the family system and the adherence to a concept of social discipline in all aspects of life and the need to save. The social discipline begins even before birth with the government indicating its disapproval for single-parent mothers. Children are expected to be well-behaved even in schools and disciplinary and other professionally-aided counter-measures are enforced to reduce delinquency. Hard sentences are meted out to anti-social or criminal behaviour be they in the form of drug taking, outraging of modesty, or graffiti. The popular reference to the caning of the American, Michael Fay, was perhaps over-played by the overseas press

22 Data from the American Bureau of Labor Statistics indicate that the wages of Singapore production workers rose by 20 percent in 1994 when measured in US dollars. At the rate of US\$ 6.29 per hour, it is now 40 percent of what the American worker gets. Most of the professionals are paid much better than their peers in the OECD countries. Details of these comparisons are found in the Prime Minister's National Day rally which were published in *Straits Times* 21 August 1995.

although it makes it clear that regardless of nationality, the importance of the “correct” behaviour (or civility) is one feature that is held in high regard in this country.

Domestic aspects constitute one of the aspects. The external factor is important, namely, that foreign companies are urged to set up facilities in the country. Whereas the earlier effort was mainly to invite any investment source, there is over these years a more selective approach of persuading especially those corporations which are at the threshold of new technology. The fact that the computer peripherals such as the multi-visual media are encouraged is one such feature. In the same way, is the government’s desire to make the country as the Asian (if not global) headquarters to major corporations; such presence reaffirms the importance of an international market economy.

Foreign direct investments (FDI) is thus important to Singapore. Regulations too have to be available to protect such investments. These involve remitting of profits and capital, control and retention of management control. Such protection in turn has stimulated other financial institutions, including those from overseas, to establish offices in Singapore.

The much more recent investment drive is to matchmake local corporations and those from abroad in establishing joint ventures in those regional ventures in which the government has a firm interest. Today, there are at least five countries in which selected areas are made available for Singapore-initiated ventures, namely, Indonesia, China, Malaysia, Vietnam and India. This provides the so-called external wing for Singapore and initiated mainly in response to the small physical size of the country. At the same time, Singapore is trying to make full use of its reserves as well as the excess capital of the private sector in promoting the development of high-growth areas in these countries. The Singapore market has thus expanded to a much broader and diverse geographical Asia-Pacific region.

This latest strategy reaffirms the importance of a broader market mechanism spreading beyond the national boundaries. Two basic concepts are applicable in this instance. First, the market economy should not be viewed by a polity as an isolated entity in promoting trade and development. This escalating feature is already seen. The ASEAN states have witnessed rapid growth. So have the other NIEs. While the main impetus is domestic (for any form of free trade or market economy would have to initially work on the basis of the domestic market), further improvements in trade among nations is a consequential development. Abandonment of tariffs (as found in Singapore) has made it possible. In a sense, Singapore has subscribed to all the main principles of the market economy – perhaps even more zealously than the United States or Japan.

Second, a free economy requires a sense of direction. The *laissez faire* version, which many classical-type economists favour, might not work. The direction

in the Singapore case comes from the government which also recognises the positive and contributory roles which the private sectors will play. Thus, while entrepreneurship is an essential feature in the private sector, there is an equal need for visionaries at the political-administrative helm with the capacity to formulate practical or realistic policies. This scouting for fresh monitors of change and growth will mean a binding of these two sectors in developing further potentialities in the market economy.

Conclusion

In a sense, the distinction between the transition to, and transition of, a market economy is not dichotomous. Even in a highly socialistic economy, the need for some form of a market economy is not completely denied. In the same way, even if a polity is in the dynamics of a market economy, the importance for further generative measures to enhance this arrangement requires little reiteration.

Singapore has not been aberrant vis-à-vis the market strategy. It is already immersed in it almost since its foundation by the British in 1819; the heralding of independence in 1965 has made it more stridently market-conscious. It realises the importance of the market economy from the very beginning. Yet, for a market economy to be fully operational, basic requirements are essential. The market has to be seen to benefit the people. The distributive process has to be of a certain level before the people can grow to appreciate the importance of the market mechanism. In the case of Singapore, the availability of basic necessities such as housing, education, a relative good access to medical and other facilities helps to assure that the market mechanism can further contribute to popular well-being. Even then, the government has to see which other areas or margins to consolidate the people's welfare. A completely free market by itself does not assure a country of all the margins essential for the basic survival of the people.

What is not stressed by many observers is that a certain commitment to public or social order is essential. The market economy is not governed by the rule of the jungle; neither is it a situation in which the money is the sole criterion in decision-making. The ramifications of this social order may include sacrifices such as savings, built-in norms on productivity and institutionalising structural changes. Just as there is a need to tap social discipline, there is also the equal concern that the population be updated to the new technologies and skills that are available in, or coming to "the market". In the same manner, policy changes (and implications for the society) are expected if the market is to maintain its meaning to the economy.

Yet, no polity can safely assume that the market economy provides all the essential safeguards for the country's survival. In the Singapore situation, this

aspect is well-reiterated many a times. Today, the country is fast identified as an advanced nation; this implies a fresh set of challenges for its leaders and people. The commitment to even harder discipline and work is one feature which cannot be compromised in Singapore regardless of the state of economic well-being or growth. This perhaps is one reason which explains, as the country celebrates its thirty years of independence, its vigilance in ensuring the continuity of the market mechanisms.

In the meanwhile, positive factors in the wider international and regional levels to a market economy are worth stressing. There is every reason to be most positive in outlook given a greater realisation that this approach to development and economic strategy may perhaps be the most productive for many other nations and it is one aspect which they could incorporate in their systems. As an example, the member-economies in APEC are already making commitments to the further promotion of the market economy and there is reason to cheer that while the year 2020 may be distant, it is not a too long future if these member-economies in the meanwhile commit themselves to the process of freeing their economies to the momentum generated by the unregulated market economy process. Thus, while T. S. Eliott (as quoted in the introduction to this paper) may be thinking of working hard and dedicating ourselves to the heavenly kingdom, the more immediately available benefits of this world via the market economy have also to be zealously cultivated.