

**SYMPOSIUM ON HUMAN RESOURCES DEVELOPMENT  
IN ASEAN AND THE SOUTH PACIFIC COUNTRIES**

**人作りシンポジウム(東南アジア諸国連合・南太平洋地域)**

24-25 April, 1985/Tokyo, Japan

Organized by Japan International Cooperation Agency  
Supported by Ministry of Foreign Affairs

主催 国際協力事業団  
後援 外務省

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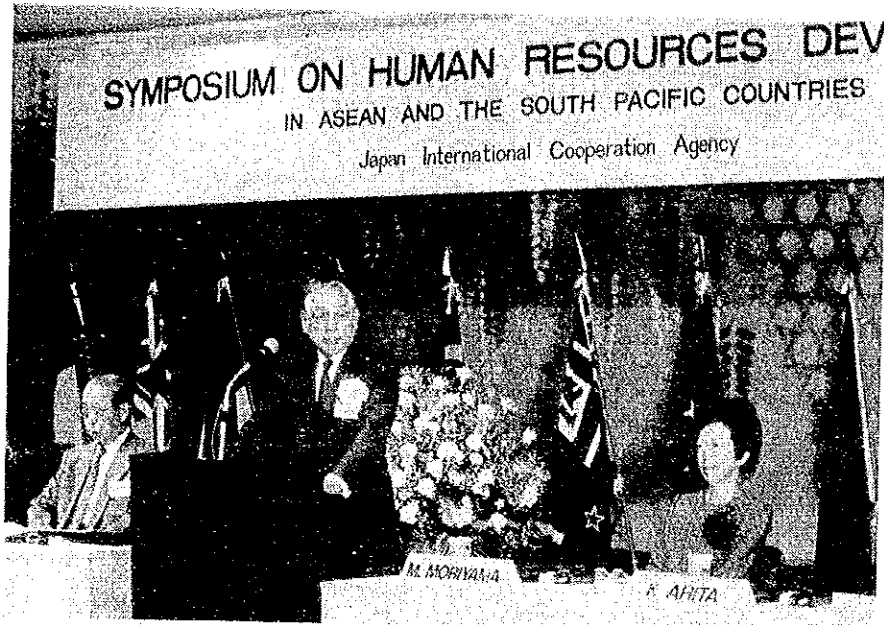


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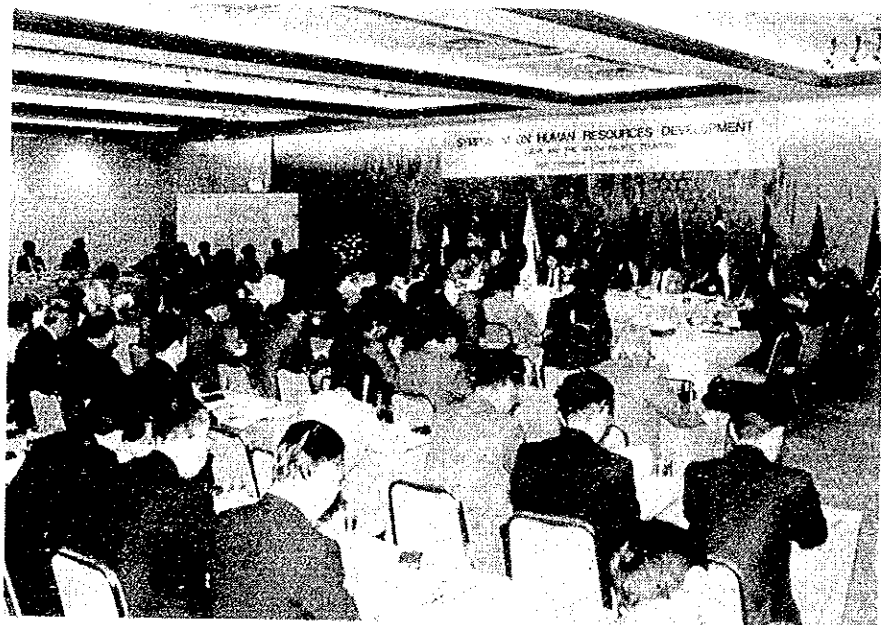
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Mr.K.Arita, President of JICA at the Opening Ceremony.

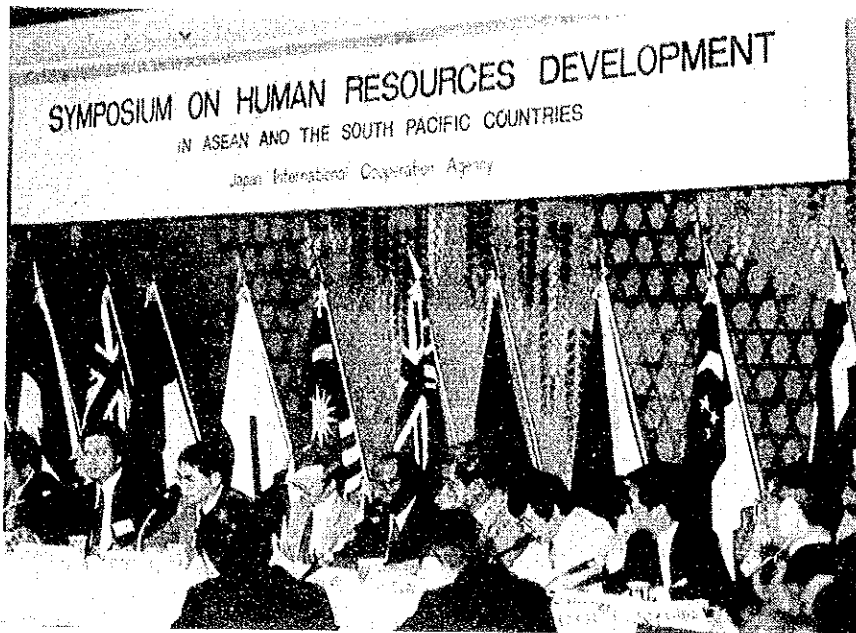
開会式で挨拶する有田総裁



Audience listening attentively to the reports of panelists.

会場風景





Participants from various countries.

各国からの参加者



His Excellency Mr. Shintaro Abe, Minister for Foreign Affairs  
at the Reception

レセプションでの安倍外務大臣





**SYMPOSIUM**  
**ON**  
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**24-25 April, 1985**

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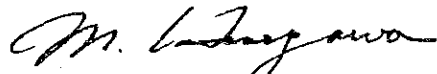
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**Supported by Ministry of Foreign Affairs**



## Preface

The Symposium on Human Resources Development was proposed by His Excellency Mr. Shintaro Abe, Minister for Foreign Affairs of Japan, on the occasion of the ASEAN Post Ministerial Conference in Jakarta in July 1984. This proposal was cordially accepted by the ASEAN Ministers, and the Symposium came to be held in Tokyo on the 24th and 25th of April 1985. Its objectives were firstly to invite various views on the problems of human resources development which should be the foundation for future economic development in ASEAN and the South Pacific countries. And secondly to discuss and recommend both to the public and private sectors effective means and approaches for these problems.

During the Symposium, there was a vital exchange of views and opinions among the representatives from ASEAN and the South Pacific countries, the United States, Canada, Australia and New Zealand as well as Japanese government officials, professors and senior managers in the private sector. It is my great pleasure that this report, which contains the record of discussions, will be useful in implementing the cooperation between public and private sectors and keeping close relations among the participating countries.



Masao Hasegawa

Director,

Institute for International  
Cooperation



## CONTENTS

1.	Summary and Recommendations	.....	1
2.	Program	.....	7
3.	List of Participants	.....	17
	3.1. List of Participants	.....	19
	3.2. Participants in Sessions A and B	.....	24
4.	Opening Address	by Mr. Keisuke Arita	..... 29
5.	Welcoming Speech	by Madame Mayumi Moriyama	..... 35
6.	Keynote Speeches		..... 41
	6.1. "Outlook for Industrialization in the Developing Countries of the ASEAN-Pacific Region"		..... 43
		by Dr. Saburo Okita	
	6.2. "Human Resources Development Basis for Nation Building in ASEAN-Pacific Region"		..... 52
		by Dr. Sayuti Hasibuan	
	6.3. Comments and Discussions		..... 56
7.	Country Reports		..... 61
	7.1. Japan		..... 63
		"Japan's Cooperation Policy in Human Resources Development"	
		by Mr. Kimio Fujita	
	7.2. Brunei Darussalam		..... 72
		"Development Strategies and Programmes"	
		by Mr. Lim Jock Seng	
		Mr. Danial Bin Haji Hanafiah	

- 7.3. Fiji ..... 76  
 "Strategies and Programmes for Human Resources Development in the  
 Fiji Public Service"  
 by Mr. Apisalone Tudreu  
 Mr. Hector Rex Hatch
- 7.4. Indonesia ..... 82  
 "Human Resources Development: The Case of Indonesia"  
 by Dr. Sayuti Hasibuan
- 7.5. Japan ..... 96  
 "Manpower Training in the Japanese Industries ---- A Note on  
 Japan's Experience in Human Resources Development in line with  
 Industrial Development"  
 by Professor Konosuke Odaka
- 7.6. Malaysia .....104  
 "Human Resources Development in Malaysia"  
 by Mr. Sallehuddin Bin Abdullah
- 7.7. Papua New Guinea .....114  
 "The Case of Papua New Guinea"  
 by Mr. Ephraim Makis  
 Mr. Theodore Varpian
- 7.8. Philippines .....129  
 "Development Strategy of a Nation and the Means to Achieve it"  
 by Mr. Samuel T. Ramel  
 Mr. Gabino A. Mendoza
- 7.9. Singapore .....133  
 "Human Resource Development Strategies and Programmes"  
 by Mr. Winston Teow
- 7.10. Thailand .....139  
 "Economic Change and Human Resources Development"  
 by Dr. Chira Hongladarom

7.11. Comments and Discussions	.....163
8. Session Reports	.....185
8.1. Session A : Human Resources Development in Response to the Changing Industrial Structure	.....187
8.1.1. Lead off Speech	.....189
"Human Resources Development in ASEAN Industrial Structural Changes"	
by Professor Yasuhiko Torii	
8.1.2. Comments and Discussions	.....202
8.1.3. Summary	.....227
8.2. Session B : The Desirable Way of Cooperation between Public and Private Sectors in HRD	.....231
8.2.1. Lead off Speech	.....233
"Human Resources Development in the Private Sector"	
by Mr. Koh Yoshino	
8.2.2. Presentation by Indonesia	.....239
"Cooperation between Government and Private Sector in Human Resources Development in Indonesia"	
by Dr. Prijono Tjiptoherijanto	
8.2.3. Comments and Discussions	.....246
8.2.4. Summary	.....274
9. Closing Remarks	.....277
by Mr. Noboru Nakahira	





## **1. SUMMARY AND RECOMMENDATIONS**



## 1. Summary and Recommendations

### 1. RECOGNITION OF THE IMPORTANCE AND DIVERSE NATURE OF HUMAN RESOURCES DEVELOPMENT

- (1) Human resources development is fundamental to economic development, improvement of living standard, and increase in income and employment.
- (2) It is essential that human resources have to be developed in accordance with the local conditions and requirements of each country. Approaches to human resources development would have to differ among different countries, and among different enterprises and industries (e.g. primary industry, import substitution industry, export-oriented industry, etc.)
- (3) There is an increasing need in existing industries for introducing new technologies including high technologies in every country where restructuring of industries is taking place. Human resources development would have to be adapted to the changing needs and requirements in these industries.

### 2. HUMAN RESOURCES DEVELOPMENT: EDUCATION AND TRAINING

The basic and general education plays a principal role in human resources development. Such education should not be limited to the transfer of knowledge, but include the development of sound work ethics and the strengthening of work moral and motivations. In actual production activities, however, relevant technology and skill in carrying out jobs are indispensable. In this respect, the development of managerial capability and vocational training are of decisive importance, and the role of On-The-Job Training is crucial. Toward this end,

transfer of technology through private enterprises and Non Governmental Organizations and increase of technical cooperation on the government basis are indispensable.

3. NECESSITY OF ORGANIZING INDUSTRY AND TRADE ASSOCIATIONS AND SIGNIFICANCE OF PUBLIC AND PRIVATE COOPERATION

- (1) Development of human resources through training is left basically to the private enterprises operating on the basis of market mechanisms. However, in developing countries with various constraints, the governments are called upon in improving domestic legal and administrative systems and installing policy measures conducive to human resources development.
- (2) More specifically, the following three points must be emphasized:
  - a. The need for enhanced recognition of the importance of OJT by private enterprises
  - b. The need for organizing and/or fostering industry and trade associations
  - c. The need for various government's policy measures to promote OJT in private enterprises

4. INTERNATIONAL COOPERATION IN HUMAN RESOURCES DEVELOPMENT: A PROCESS OF CONTINUOUS EFFORT (CONCLUSION AND RECOMMENDATIONS)

- (1) International cooperation in human resources development is a process of private-government collaborative efforts at national and international levels towards formulation and implementation of systematic human resources development policies.

(2) In order to achieve a success in such diverse policy formulation and implementation, it is essential to link systematically the efforts of each country and international organizations. To meet this end, it would be more effective to bring existing organizations concerned in the region into a new-work, thus, realizing frequent exchanges of people and information. Pacific cooperation in HRD being undertaken in the forum of ASEAN Post Ministerial Conference is a very part of such efforts.

(3) At this symposium frank exchange of views and experiences among participants from different countries of the Asia-Pacific region was both useful and enlightening. From now on, it is important to formulate effective international net-works of HRD cooperation through exchange of opinions and joint studies, while parallel efforts shall be made to accelerate the effective implementation of existing relevant projects.



## **2. PROGRAM**





## 2. Program

### SYMPOSIUM ON HUMAN RESOURCES DEVELOPMENT

Background : The Symposium on Human Resources Development was proposed by His Excellency Mr. Shintaro Abe, Minister for Foreign Affairs of Japan during the ASEAN Post Ministerial Conference, Jakarta, July 1984 and it was cordially welcomed by the ASEAN Ministers.

Objectives : The objectives of this symposium are firstly to invite various views on the problems in the human resources development which should be the foundation for the future economic development in ASEAN and the South Pacific countries, with particular emphasis on the roles of the private sector, and secondly to discuss and recommend both to the public and to the private sector the effective means and approaches for tackling the problems.

Duration : 24 and 25 April, 1985

Place : Fujinoma Room, Hotel New Otani  
Kioicho 4-1, Chiyoda-ku, Tokyo, 102 Japan  
Tel. ; 03-265-1111  
Telex ; HTILOTANI J24719  
Cable ; HOTELNEWOTANI TOKYO

Main Theme : "Human resources development in line with economic development of ASEAN and the South Pacific region toward the 21st century - the desirable way of cooperation between the public and the private sectors in human resources development"

Framework of the Symposium : As shown in table 1.

Procedure : On the day 1 :  
On the main theme, keynote speeches are given by Dr. Saburo Okita of Japanese delegate and a Representative of ASEAN delegate. In the afternoon session, country reports are given by 2 Japanese and 8 developing countries delegates (each report should be about 20 minutes or less).

On the day 2 :

In the morning, the delegates will attend either A or B session where after the lead off speech, presentations are given by voluntary speakers during the first 2 hours and the remaining hours in the afternoon are to be devoted to discussions.

At the summary session, Chairman will pick up the points of importance drawn from the presentations and discussions and they will subsequently lead to the recommendations for the future Pacific cooperation among countries concerned.

Language : English and Japanese  
Simultaneous interpretation is arranged.

Symposium Organizer : Japan International Cooperation  
Agency (JICA)

Supporting Organization : Ministry of Foreign Affairs

Table 1.

Framework of the Symposium

	Keynote Speech	Country Report	Session A	Session B
Aim	Recognitions of the Pacific Region's growth potential in 21st century and importance of HRD*	Different needs of HRD of each country and the relevant external cooperations	Human Resources Development in Response to the Changing Industrial Structure	The Desirable Way of Cooperation between Public and Private Sectors in HRD
Presentation by Japan	Prospect of Economic Development of Developing Countries in the Pacific Region	Japan's Cooperation Policy in HRD ----- Mr. Kimio Fujita, Director General of Economic Cooperation Bureau, MFA	Changes in and the Perspective of ASEAN's Industrial Structure	Japan's Experience in Human Resources Development in Private Sector
	By Dr. Saburo Okita, President of International University	Japan's Experience in HRD in line with Industrial Development ----- By Dr. Konosuke Odaka Professor of Hitotsubashi University	By Dr. Yasuhiko Torii Professor of Keio University	By Mr. Koh Yoshino Executive Director, Japan Federation of Employer's Associations (NIKKEIREN)
Presentation by Developing and Developed Countries	HRD as the Basis for Nation Building	Development Strategies and programs	Prospect of Industrial Development and HRD in the Developing Countries	Coordination of the Roles between Government and Private Sectors in HRD, at Present and in Future
	By a Representative of ASEAN	By 8 Developing Countries	By Voluntary Speakers	By Voluntary Speakers

\* HRD : Human Resources Development

P R O G R A M

Monday, 22 April

Arrival of Foreign Participants

Tuesday 23, April

- 9:30 - 10:20 Registration and Briefing at Moon Light Room,  
Keio Plaza Hotel
- 11:00 - 11:30 Courtesy call on Madame Mayumi Moriyama, Parliamentary  
Vice-Minister for Foreign Affairs
- 12:45 - 14:45 Welcome Luncheon hosted by Mr. Keisuke Arita,  
the President of JICA  
at Moon Light Room, Keio Plaza Hotel

Symposium - Day 1

Wednesday, 24 April

1. Opening Ceremony

- 10:00 - 10:10 Opening Address by Mr. Keisuke Arita,  
President, JICA
- 10:10 - 10:20 Welcoming Speech by Madame Mayumi Moriyama,  
Parliamentary Vice  
Minister for Foreign  
Affairs, on behalf of  
Mr. Shintaro Abe,  
Minister for Foreign  
Affairs
- 10:20 - 10:30 Introduction of Chairman and Participants  
by Mr. Noboru Nakahira,  
Executive Director, JICA
- 10:30 - 10:45 Coffee Break

2. Keynote Speech

- 10:45 - 11:15 "Outlook for Industrialization in the Developing Countries  
of the ASEAN-Pacific Region "  
by Dr. Saburo Okita

11:15 - 11:45 "HRD Basis for Nation Building"  
by Dr. Sayuti Hashibuan,  
Representative of ASEAN  
and Pacific Countries

11:45 - 13:20 Luncheon hosted by Chairman, Professor Ryokichi Hirono  
at Katsura room, Hotel New Otani

### 3. Country Reports

13:30 - 13:50 "Japan's Cooperation Policy in Human Resources  
Development"

by Mr. Kimio Fujita

13:50 - 14:10 Brunei Darussalam

14:10 - 14:30 Fiji

14:30 - 14:50 Indonesia

14:50 - 15:10 Japan

by Professor Konosuke Odaka

15:10 - 15:30 Coffee Break

15:30 - 15:50 Malaysia

15:50 - 16:10 Papua New Guinea

16:10 - 16:30 Philippines

16:30 - 16:50 Singapore

16:50 - 17:10 Thailand

17:30 - 19:30 Reception hosted by Mr. Keisuke Arita, President, JICA  
at Hagi Room, Hotel New Otani

### Symposium - Day 2

Thursday, 25 April

#### 1. Sessions A and B

Session A : Human Resources Development in Response to the Changing  
Industrial Structure

- 10:00 - 10:30 Lead off Speech  
 "Human Resources Development in ASEAN Industrial  
 Structural Changes " by Proffesor Yasuhiko Torii
- 10:30 - 11:00 Reports by Voluntary Speakers
- 11:00 - 11:15 Coffee Break
- 11:15 - 12:00 Reports by Voluntary Speakers
- 12:00 - 13:30 Lunch Break
- 13:30 - 15:00 Free Discussions Based on the Reports Presented
- 15:00 - 16:00 Coffee Break

Session B : The Desirable Way of Cooperation between Public and  
 Private Sectors in Human Resources Development

- 10:00 - 10:30 Lead off Speech  
 "Japan's Experience in Human Resources Development in  
 Private Sector"  
 by Mr. Koh Yoshino
- 10:30 - 11:00 Reports by Voluntary Speakers
- 11:00 - 11:15 Coffee Break
- 11:15 - 12:00 Reports by Voluntary Speakers
- 12:00 - 13:30 Lunch Break
- 13:30 - 15:00 Free Discussions Based on the Reports Presented
- 15:00 - 16:00 Coffee Break

2. Concluding Session

- 16:00 - 16:30 Reports of Sessions A and B by Each Session Chairman
- 16:30 - 16:45 Summary and Recommendations by Professor Ryokichi Hirono
- 16:45 - 17:00 Closing Remarks by Mr. Noboru Nakahira

Excursion to Okinawa

Friday, 26 April

- 8:50 - 11:20 Flight to Okinawa
- 12:00 - 13:00 Luncheon at Okinawa International Centre (OIC)
- 13:00 - 14:00 Observation of OIC facilities
- 14:00 - 14:30 Discussions with Participants and Instructors of Audio  
 Visual Training Course
- 14:30 - 14:50 Watching an audio visual material (film or slide)
- 14:50 - 15:20 Move to Okinawa Prefectural Government Office

15:20 - 15:50 Courtesy Call on Mr. J.Nishime, Governor of Okinawa  
Prefecture  
15:50 - 18:00 Sightseeing in Naha city  
19:00 - 21:00 Reception hosted by Mr.J.Nishime, Governor of Okinawa  
Prefecture

Saturday, 27 April

9:30 - 12:00 Visits in Naha city  
12:00 - 13:30 Luncheon  
14:55 - 17:00 Flight to Tokyo

(Upon return to Tokyo, the delegates will be divided into two groups, Group I and II, depending on one's wish to take part in the optional program of visiting the Tsukuba Science EXPO.)

Sunday, 28 April

Group I Leave for Home Countries via Narita Airport  
Group II  
7:00 - 19:30 Visit at Tsukuba Science Exposition.

Monday, 29 April

Group II Leave for Home Countries via Narita Airport





### **3. LIST OF PARTICIPANTS**



3.1.

LIST OF PARTICIPANTS

Chairman (Japan)	Dr. Ryokichi Hirono	Professor Seikei University
Brunei Darussalam	Mr. Lim Jack Seng	Director General of ASEAN Ministry of Foreign Affairs
	Mr. Danial Bin Haji Hanafiah	Director of Agricultural Department Ministry of Development
Fiji	Mr. Apisalone Tudreu	Principal Assistant Secretary Training Division of the Public Service Commission
	Mr. Hector Rex Hatch	Member of the Board Fiji National Training Council Chief Executive (Personnel and Administration) of Carpenters Ltd.
Indonesia	Dr. Sayuti Hasibuan	Deputy Chairman BAPPENAS
	Dr. Prijono Tjiptoherijanto	Director Institute of Demography University of Indonesia
Malaysia	Mr. Sallehuddin Bin Abdullah	Deputy Director General ASEAN National Secretariat
	Mr. Abdul Ghani Haji Othoman	Senator

Papua New Guinea	Mr. Theodore Varpian	Assistant Secretary for Training and Staff Development Department of Public Services Commission
	Mr. Ephraim Makis	Director Institute of Applied Social and Economic Research
Philippines	Mr. Samuel T. Ramel	Executive Director for ASEAN Affairs Ministry of Foreign Affairs
	Mr. Gabino A. Mendoza	President Asian Institute of Management
Singapore	Mr. Winston Teow	Divisional Director Corporate Planning and Services Unit/Productivity Development Project Unit National Productivity Board
Thailand	Mr. Chawat Arthayukti	Ambassador attached to the Ministry of Foreign Affairs
	Dr. Chira Hongladarom	Director the HRD Institute Thammasat University
Australia	Dr. Raymond John Spurr	Acting Assitant Secretary Economic Relations Branch Department of Foreign Affairs
	Dr. Alex Buchanan	Australian Scientific Liaison Officer, Australian High Commission in Malaysia

Canada	Mr. Peter A. Oldham	Counsellor Embassy of Canada in Japan
New Zealand	Dr. David J. Blackstock	Counsellor Embassy of New Zealand in Japan
United States of America	Mr. David J. Allen	Special Assistant to Pacific Basin Affairs, Department of State
	Mr. Stephen May	First Secretary Embassy of the United States of America in Japan
Japan		
(Keynote Speaker)	Dr. Saburo Okita	Former Minister for Foreign Affairs President, International University
(Panelists)	Mr. Kimio Fujita	Director General Economic Cooperation Bureau, Ministry of Foreign Affairs
	Dr. Konosuke Odaka	Professor Hitotsubashi University
	Dr. Yasuhiko Torii	Professor Keio University
	Mr. Koh Yoshino	Executive Director Japan Federation of Employers' Associations

Mr. Hiroshi Ohta

Deputy Director General  
Economic Cooperation Bureau  
Ministry of Foreign Affairs

Mr. Michio Sakayanagi

Director  
Extension and Education Division  
Agricultural Production Bureau  
Ministry of Agriculture, Forestry  
and Fisheries

Mr. Makoto Saito

Director  
Technical Cooperation Division  
Economic Cooperation Department  
International Trade Policy Bureau  
Ministry of International Trade  
and Industry

Mr. Toshiyuki Hiraga

Assistant Minister  
for International Labor Affairs  
Ministry of Labor

Mr. Hiroshi Karu

Vice President  
Economic Research Institute  
Japan Committee for Economic  
Development

Mr. Akira Nishikiori

Managing Director  
National Federation of Small  
Business Associations

Mr. Hitoaki Yamaguchi

Managing Director  
Engineering Consulting  
Firms Association

Mr. Hiroshi Matsumoto

Association for Promotion  
of International Cooperation

Mr. Tadashi Akita

Director

Overseas Training Center

Matsushita Electric Industrial  
co., Ltd.

Mr. Noboru Nakahira

Executive Director

Japan International Cooperation  
Agency

3.2.

PARTICIPANTS IN SESSIONS A AND B

Thursday, 25 April

1. Session A : Human Resources Development in response to the Changing Industrial Structure

(1) Chairman Mr. Abdul Ghani Haji Othoman Senator  
(Malaysia)

(2) Lead off Speech

"Human Resources Development in ASEAN Industrial Structural Changes"  
by Professor Yasuhiko Torii Professor  
Keio University

(3) Participants

Brunei Darussalam	Mr. Danial Bin Haji Hanafiah	Director of Agricultural Department, Ministry of Development
Fiji	Mr. Apisalome Tudreu	Principal Assistant Secretary Training Division of the Public Service Commission
Indonesia	Dr. Sayuti Hasibuan	Deputy Chairman BAPPENAS
Philippines	Mr. Samuel T. Ramel	Executive Director for ASEAN Affairs, Ministry of Foreign Affairs
Thailand	Mr. Chawat Arthayukti	Ambassador attached to the Ministry of Foreign Affairs
Australia	Dr. Alex Buchanan	Australian Scientific Liaison Officer, Australian High Commission in Malaysia



New Zealand	Dr. David J. Blackstock	Counsellor Embassy of New Zealand in Japan
United States of America	Mr. Stephen May	First Secretary Embassy of the United States of America
Japan	Dr. Konosuke Odaka	Professor Hitotsubashi University
"	Mr. Hiroshi Ohta	Deputy Director General Economic Cooperation Bureau Ministry of Foreign Affairs
"	Mr. Michio Sakayanagi	Director Extension and Education Division Agricultural Production Bureau Ministry of Agriculture, Forestry and Fisheries
"	Mr. Hitoaki Yamaguchi	Managing Director Engineering Consulting Firms Association
"	Mr. Hiroshi Matsumoto	Association for Promotion of International Cooperation
"	Mr. Noboru Nakahira	Executive Director Japan International Cooperation Agency

2. Session B : The Desirable Way of Cooperation between Public and Private Sectors in Human Resources Development

(1) Chairman Dr. Raymond John Spurr Acting Assistant Secretary  
(Australia) Economic Relations Branch  
Department of Foreign Affairs

(2) Lead off Speech

"Japan's Experience in Human Resources Development in Private Sector"  
by Mr. Koh Yoshino Executive Director  
Japan Federation of Employers'  
Associations

(3) Participants

Brunei Mr. Lim Jock Seng Director General of ASEAN  
Darussalam Ministry of Foreign Affairs

Fiji Mr. Hector Rex Hatch Member of the Board  
Fiji National Training Council  
Chief Executive (Personnel and  
Administration) of Carpenters  
Ltd.

Indonesia Dr. Prijono Tjiptoherijanto Director  
Institute of Demography  
University of Indonesia

Malaysia Mr. Sallehuddin Bin Abdullah Deputy Director General  
ASEAN National Secretariat

Papua New Mr. Ephraim Makis Director  
Guinea Institute of Applied Social and  
Economic Research

Papua New Guinea	Mr. Theodore Varpian	Assistant Secretary for Training and Staff Development Department of Public Services Commission
Philippines	Mr. Gabino A. Mendoza	President Asian Institute of Management
Singapore	Mr. Winston Teow	Divisional Director Corporate Planning and Services Unit/Productivity Development Project Unit National Productivity Board
Thailand	Dr. Chira Hongladarom	Director The HRD Institute Thammasat University
Canada	Mr. Peter A. Oldham	Counsellor Embassy of Canada in Japan
United States of America	Mr. David J. Allen	Special Assistant to Pacific Basin Affairs, Department of State
Japan	Dr. Ryokichi Hirono	Professor Seikei University
"	Mr. Makoto Saito	Director Technical Cooperation Division Economic Cooperation Department International Trade Policy Bureau Ministry of International Trade and Industry
"	Mr. Toshiyuki Hiraga	Assistant Minister for International Labor Affairs Ministry of Labor

Japan

Mr. Hiroshi Karu

Vice President  
Economic Research Institute  
Japan Committee for Economic  
Development

"

Mr. Akira Nishikiori

Managing Director  
National Federation of Small  
Business Associations

"

Mr. Tadashi Akita

Director  
Overseas Training Center  
Matsushita Electric Industrial  
Co., Ltd.

## **4. OPENING ADDRESS**



#### 4. Opening Address

by Mr. Keisuke Arita  
President, JICA

Parliamentary Vice Minister Moriyama, distinguished Delegates, ladies and gentlemen. On behalf of the Organizer, the Japan International Cooperation Agency, I would like to extend my warmest welcome to you all, especially to those of you who have traveled long distances to participate in this Symposium while you are so busy.

At the ASEAN Post-Ministerial Meeting with Dialogue Countries in July 1984, discussions took place on the ways and means of strengthening cooperation between the participating countries. In light of the discussions, our Foreign Minister, Mr. Shintaro Abe, took an initiative for holding in Tokyo a symposium on Human Resources Development. As a result we are meeting here today.

It is a great honour for JICA to host this very important Symposium, and I hope that the Symposium will serve for the economic and social development of the ASEAN countries, and of all the Pacific nations.

The theme of the Symposium is Human Resources Development which is basic to socio-economic development. It would be no exaggeration to say that investment in human resources can be more fruitful than investment in productive facilities or infra-structure. This, I think, is reflected in the recent rapid economic development of the South-East and East Asian countries.

JICA celebrated its Tenth Anniversary last year. The catch-phrase of the occasion was "Nation-building, Human Resources Development, and Heart-to-Heart Communication." JICA is responsible for extending Japan's government-based technical cooperation and grant capital assistance to the developing world,

with its budget outlay for fiscal 1984 of around 200 billion yen. It is our conviction that human resources development is basic to nation-building and that human resources development is accomplished when technology is transferred through person to person, heart to heart contacts of the persons concerned.

At present, the technical cooperation programme accounts for only 11 percent of the total ODA of Japan. But the efficiency and effectiveness of the facilities, machines and materials supplied through yen loans and grant capital assistance can be attained only by trained personnel and contribute to the economic and social progress of the developing world.

For the purpose of making Japan's economic cooperation even more effective, I believe it is necessary to double the ratio of technical cooperation in Japan's ODA.

The ASEAN Human Resources Development Project, which was initially proposed by our former Prime Minister Zenko Suzuki in 1981 when he visited the five countries of ASEAN, has been proceeding in accordance with the schedule, and we expect that each Center will be brought into full operation during this year. In parallel to this development, the JICA's Training Center in Okinawa, was officially opened on the 17th of this month.

When we consider the development of the ASEAN and South-Pacific region towards the 21st Century from our experiences in the technical cooperation for human resources development, it is tremendously important for both public and private sectors to develop and harmonize their human resources development programmes.

This is exactly the reason why this Symposium has taken up the cooperation between the public and private sectors in human resources development. It is fortunate for us to have here knowledgeable people from the ASEAN and South-Pacific countries.



I hope that you will have enough opportunities to thoroughly discuss the subject, and come up with a definite future direction and guidance for JICA to take in the future.

I would like to ask not only the panelists, but also other participants to fully participate in the discussions. With these words, I would like to conclude my opening statement. Thank you very much.



## **5. WELCOMING SPEECH**



## 5. Welcoming Speech

by Madame Mayumi Moriyama  
Parliamentary Vice Minister  
for Foreign Affairs,  
on behalf of  
Mr. Shintaro Abe, Minister  
for Foreign Affairs

Ladies and gentlemen, good morning.

Today, Foreign Minister His Excellency Abe was scheduled to be with you this morning to give you the words of greetings. But unfortunately, he has to attend the Plenary Session of the House of Councillors at this time. Therefore, our Foreign Minister could not be with you today. I would like to read his speech in his place.

It has been pointed out that human resources development is very important for supporting the sustainable development of developing nations in various forms. I myself have visited some of the developing countries, and have taken a look at the projects which were on-going under the initiative of Japan. I have talked with many of the experts and the officials of the receiving governments there. And through these interchanges, I was able to very much feel the importance of human resources development as the foundation for nation-building.

That is why, when in Indonesia last July the ASEAN Post Ministerial Conference was held with the Pacific Dialogue Countries, I have made a proposition about holding a symposium regarding human resources development. I am quite happy to see the realization of my idea with such a distinguished participation today, including the officials of the governments as well as the cooperation from JICA. I would like to extend our heartfelt appreciation to all of you who have supported this Symposium.

Of course, human resources development cannot be achieved overnight. The medium and long-term strategy must be formulated in order to meet with the differing needs of different countries. And also the human resources development would require the involvements of the private vitalities. Based on these circumstances, I feel that today's Symposium's theme "Human Resources Development in line with the Economic Development of ASEAN and the South Pacific Region toward the 21st Century: The Desirable Way of Cooperation between the Public and the Private Sectors in Human Resources Development" is quite timely. I think it is a very appropriate theme, indeed. And I would very much hope that this Symposium would end in a great success.

Furthermore, regarding the two specific aspects, this Symposium could be regarded as quite timely for attracting the attention of Japanese as well as those abroad.

One factor is that this Symposium timing coincides with the initiation period of Japan's ASEAN Human Resources Development Cooperation Project. Back in 1981, Japan had announced to establish Human Resources Development Centers in ASEAN countries, in order to be accompanied by the establishment of International Center in Okinawa. With the cooperation from the ASEAN countries, these Human Resources Development Centers in each of the ASEAN countries are scheduled to go into full operation this year. And already we had succeeded in having inauguration ceremony for Okinawa International Centre. I understand that after this Symposium, participants of the Symposium will be visiting Okinawa International Centre. And of course, this could be regarded as a vital component of our efforts to cooperate in regard of human resources development.

And also, this Symposium constitutes a vital part of the whole range of programmes available for Pacific cooperation. Last July, ASEAN Post Ministerial Conference had taken up the theme of the future of Pacific, and

Foreign Minister, His Excellency Moftar, of Indonesia, had made a proposal with regard to taking up the matter of human resources development as a theme, and agreement was made on this regard. Presently, consultations are going on as to how the human resources development cooperation can be undertaken in the various nations concerned. Today, not only the participants from the ASEAN countries but we have the representation from Fiji and Papua New Guinea, the countries from the South Pacific Islands. I would very much believe that this Symposium would end in a greater success with the large representation from developing countries and the industrialized nations--countries as well.

I would very much hope that this Symposium would end in a great success, and I would wish all of you a pleasant stay in Japan. Thank you very much.





## **6. KEYNOTE SPEECHES**



## 6.1. Keynote Speech

### OUTLOOK FOR INDUSTRIALIZATION IN THE DEVELOPING COUNTRIES OF THE ASEAN-PACIFIC REGION

by Dr. Saburo Okita  
International University

#### 1. FEATURES OF INDUSTRIAL DEVELOPMENT IN THE ASEAN-PACIFIC REGION

The countries of East and Southeast Asia -- which includes the newly industrializing countries of Asia (the Asian NICs), the Association of Southeast Asian Nations (ASEAN) member-countries, and Japan -- have been the most dynamic achievers in the world economy of late.

Looking first at the country I know best, Japan achieved very rapid development after the end of World War II, with an average growth rate of more than 10% per annum in the 1960s. Not only did this serve to build a bigger and better Japanese economy, it was also a very strong stimulus and inspiration for the developing countries of the region. Going into the decade of the 1970s, however, Japanese growth fell to 5% per year. Japan's Asian neighbors then took the lead in the growth race, some of them enjoying double-digit growth of 10% or more. It is worth noting that the Asian NICs and the ASEAN countries managed to sustain strong growth rates despite the two oil crises of the 1970s and the global stagnation at the end of the decade.

Contrary to what some people may charge, this East and Southeast Asian growth did not depend solely upon exports for its vigor. In Japan's case, for example, domestic demand and exports have grown at about the same rate. Generally speaking, economic growth has been achieved through market

mechanisms, and private companies have been the mainstay of the economy. The government has played an important leadership role, but primarily one of managing policy so as to facilitate private-sector efforts and to enable companies to make full use of their abilities. Japan's economic planning has served to suggest the directions of economic development, and every care is taken to ensure that this process of policy planning does not interfere in private-sector activities. Likewise in East and Southeast Asia, although there are differences in your stages of development and each country has its own internal political situation to consider, the shift to a private-sector-led economy using market mechanisms is an important part of full economic development.

I had the pleasure of attending an Asian Development Bank conference on privatization this January, and one of the points that came out of that conference was the fact that efforts to encourage private-sector activity have recently become a rallying cry in the industrialized countries. In the United States, the much-touted "deregulation" of the last several years is best seen as an effort to avoid direct government intervention in the industrial sector. In the developing countries too, the government's leadership role is gradually shifting away from direct management of the economy to an indirect role emphasizing encouragements. Even in socialist China, recent reforms have been aimed at making maximum use of market mechanisms in economic management and distancing management from the government by having ownership remain with the government and society at large while management is left to the people responsible for each enterprise. This tendency to emphasize market mechanisms seems to be prevalent of late in industrialized and developing countries alike.

There are those who will argue that central planning is needed if the developing countries are to make progress. Behind this argument is the belief

that the developing countries will not be able to compete with the industrialized countries that are already in place, and that they will therefore find it impossible to develop if their industrialization is left purely to market mechanisms. There have been some who say that leaving development to market mechanisms will mean development in industries designed to meet the needs of the industrialized countries, and that the process will not contribute to raising overall economic levels nationwide. These people thus feel there is a need to have government planning and direction.

In such cases, let me suggest that this be planning with market mechanisms rather than planning against market mechanisms. For example, when the government draws up the plans for starting a new industry, the government should first do a study of what industries the country would likely have a long-run comparative advantage in, and which industries the country is best suited to. A long-range development plan for industrialization can then be drawn up, based upon the results of the study, to show how the country can industrialize as it builds from one industry to the next in a viable progression.

Instead of planning with market mechanisms, the developing countries occasionally plunge headlong into industrialization beginning in highly uneconomical fields -- fields where the costs of production far exceed the international market costs, where the industry cannot survive without government subsidies, and where the government ends up squandering its scarce resources in an effort to keep the project afloat. Even when such showcase industries are started with foreign-capital financing, they cannot pay back their loans and are not viable industries. Thus it is clear that planners should not only consider how much they want to produce of what but should also consider costs as well. It may be well for the government to guarantee the industry's market for a set period of, say, five or ten years, reducing the

guarantee every year as the industry gradually becomes able to stand on its own feet.

In tandem with this, there is also a need for the government to create a climate friendly to the private sector. This does not mean just tax treatment and financial incentives. One of the major factors in determining whether a country is hospitable to the private sector or not is the quality of its work force. The government has a major role to play in providing the human resources such as engineers, machinists, and other professional people who will work at the new industry. At the same time, the government can also encourage the private sector by upgrading transportation, communications, and other infrastructural aspects so that the industry can function efficiently and effectively. Seen against these criteria, the countries of East and Southeast Asia have planned for their development rather well. There have, of course, been exceptions to this judgment, but the soundness of these governments' efforts has contributed to higher economic growth for this region and enabled the region to do better than most other regions of the world.

Another important point in development is that of ensuring that agriculture and industrialization develop side by side. Agricultural development is needed to generate the country's basic stock of capital; and without agriculture, domestic markets will not thrive even with industrialization. Likewise, without industrial development, agriculture will lack the input for higher productivity -- including even such bases as fertilizer and farm implements. Unfortunately, some of the developing countries have, at times, emphasized industrialization to the detriment of agriculture. Having the government purchase all agricultural output at abnormally low prices is just one example of what can be done wrong. However, most of the developing countries start with agriculture as the largest sector

of the economy, and the best relationship between agriculture and industry is to have the agricultural sector grow and support industrialization.

Here too, although some of the Southeast Asian countries have gone through a period of trial and error, most have very strong agricultural sectors today, especially in the production of food grains. These countries are becoming more self-sufficient in rice. Thailand, for example, has managed to double its rice exports over the past quarter-century -- even though the population has also doubled during these years. Other Southeast Asian countries have also introduced new farming techniques and better-quality crops. For example, such old export staples as rubber and tea have now been joined by such new agricultural products as tapioca, palm oil, and corn. In that sense, this region has achieved relatively balanced development between agriculture and industry.

## 2. PROBLEMS IN INDUSTRIALIZATION FOR THE ASEAN-PACIFIC REGION

Industrialization is expected to continue to evolve and to change the Asian industrial structure. Even as long as 20 years ago, manufactured products already accounted for 30% of all exports by Korea and Taiwan (the current figure being 90%). In the ASEAN countries, where manufactured products used to account for only about 5% of exports, they now account for 20-30%. Albeit with some differences from country to country, the ASEAN countries are now basically where Korea and Taiwan were 20 years ago. With industrialization, a country develops those industries which are internationally competitive, meaning that import earnings are up and it becomes more possible to import the materials and equipment needed for further development. For the future, this development process will probably mean more specialization, horizontal integration, and complementary division of labor among the countries of Northeast and Southeast Asia.

In the 1960s, it was strong economic development in Japan which served to pull the other Asian countries' development along. More recently, these countries have enjoyed economic growth rates higher than Japan's own, and they have been a source of strength keeping the Japanese economy from too deep a slump. At the same time, there has been a reallocation of roles as these countries, and especially the NICs, develop greater export strength and capture larger market shares in Japan's old export markets in the United States and Europe in textiles, sundry goods, consumer electronics, and the like.

As the next stage in this process, Japan will inevitably increase its imports from this region as the countries of the region upgrade their industrial capacities. With Japanese wage levels rising, Japan will have to shift to more high-tech and specialized industries, and the ASEAN countries will at the same time develop more resource-processing industries. Aluminum is typical. Japan used to import bauxite, crude oil, and other resources and make its own aluminum. Now, however, Japanese aluminum production is down to one-quarter what it used to be. Instead, Japan is importing aluminum ingots from the Asahan Project's huge smelting facility in Indonesia. The same is true in lumber, as Japan is shifting from importing logs to importing lumber products and semi-manufactured products from the other Asian countries. Even in agricultural products, Japan is expected to sharply increase its imports of fruits and vegetables from this region. Although protectionist pressures make it impossible for this to happen all at once, the trend is undeniably toward increasingly strong and increasingly complementary ties.

The same thing is happening in Europe, where extensive trade in fruit, flowers, and vegetables has developed among the north and south European countries and even between the Middle East and Europe. Given the European example, it is only reasonable to assume that there will be greater trade in



tropical and temperate fruit, flowers, and vegetables in Asia, and it will become increasingly important to develop the technology and personnel needed to grow these crops in addition to the relatively simple grains such as rice and wheat. In industry, while it is true that much of the capital goods will have to come from Japan for the time being, the other Asian countries will increasingly produce machinery and other capital goods. In the process, what I referred to earlier as a complementary horizontal division of labor will become even stronger.

Japan industrialized rapidly, the NICs following close behind. In the next stage, we will have industrialization by the junior NICs -- better known as the ASEAN countries -- as they continue to expand their exports of manufactured goods. Although some people in Japan are worried about the "boomerang" effect in certain sectors as the other Asian countries' industrialization enables them to compete with Japan, this is not something that should inspire fear in the macroeconomic perspective. Korea is often cited as the classic boomerang, but what are the facts? Twenty years ago, Japanese exports to the Republic of Korea were about \$100 million. Today they are pushing \$6 billion. As the Korean economy has industrialized and its exports increased, it has acquired higher earnings and foreign exchange reserves enabling it to import more. This has been very much in Japan's own interest. The same thing can be said of China's modernization. As the Asian countries gain greater purchasing power, all of our countries will benefit macroeconomically.

### 3. COOPERATION IN THE ASEAN-PACIFIC REGION

Over 20 years ago, I was head of the Planning Bureau at the Economic Planning Agency responsible for drawing up the plan to double Japan's national income. Even then, we realized the importance of developing our human

resources, particularly in science and technology. Accordingly, we consulted with the Ministry of Education and drew up plans to train more engineers. This success, seen in the fact that Japan now graduates more students in engineering than the United States does, was a major factor in making Japanese industry competitive in the world market.

In our plan to double national income, we placed the priorities on the following five fields.

- a. improving the infrastructure
- b. Upgrading the industrial structure
- c. Promoting international trade and economic cooperation
- d. Developing science and technology and drawing out the human potential
- e. Narrowing disparities within the economy

Because of its long-range emphasis on education, this income-doubling plan also had an important impact on defining the directions for Japan's economic growth even today. The year after drawing up the income-doubling plan in line with these priorities, we formed a special committee on enhancing the human potential. This committee was soon hard at work studying ways of providing science and technology training for everyone from university graduates to experienced workers and drawing up a human resources development plan.

At the time, there were a number of people -- particularly people who were concerned primarily with education -- who said that educational issues should not be spoken of in the same breath with economic development, but we persisted in the knowledge that there had to be some degree of coordination between social requirements -- the kinds of talents society needs -- and the kinds of talents people are encouraged to acquire. Otherwise, the schools are

liable to turn out vast numbers of people who are over-qualified and under-employed.

At the time, I argued that even though education and economic planning are not concentric concerns, there is very considerable overlap in their different spheres of concern. Even today, looking back, I believe that it is important to relate education to the human resources needs of economic development.

Science and technology have developed much faster than any of us expected. In turn, these developments, and especially the advances in such new technologies as microelectronics, pose new questions for economic planners in the developing countries trying to determine how this new technology affects the economic development process and their human resources. On the one hand, there may be cases where the developing countries' low-cost labor will be unable to compete against the industrialized countries' robots. On the other hand, the development of microelectronics makes technology transfer that much easier, since instruction can now be given with video tapes and other sophisticated audio-visual aids. Likewise, software developments have made it easier for the developing countries to utilize their intellectual capabilities. Yet even so, more study will be needed on how electronics technology and the information revolution can be used to best advantage for this region's human resources development -- for in the final analysis it is people which are the most important resource in any development program.

## 6.2. Keynote Speech

### HRD BASIS FOR NATION BUILDING IN ASEAN-PACIFIC REGION

by Dr. Sayuti Hasibuan  
BAPPENAS

1. On behalf of my colleagues around the table, representing the ASEAN and the Pacific countries, I would like first of all to thank our Japanese host for having organized a meeting on human resources development and for having invited us all to attend it.
2. The theme of the conference and the interest shown toward it by governments in ASEAN and the Pacific region clearly underscores the significance of the meeting not only in terms of future cooperation but more importantly in the possible cross fertilization of ideas about how to better harness that strategic resource called human resource in the pursuit of development objectives.
3. Improved and better ways of harnessing human resources in the pursuit of national and development objectives are not always apparent; they are as complex as development itself.
4. This is for two main reasons. The first is that human resource as a factor in the development process cannot really be separated from the human aspect as a subject for whom the whole development is supposed to be carried out.

Human resource is first and foremost a human being. And while the main theme of our symposium deals with the resource aspect, the issues about incorporation and integration of non-resource aspect for an optimal role of the human resource in economic development is by no means settled issues in strategy and practice. The non-resource issues I have in mind concern, for example, culture, tradition, and system of beliefs, and multiple roles of a human resource.

5. Secondly, as experience in many developing countries show full utilization of human resource is not something that is automatic with the fast growth of the economy. Relatively fast growth is a necessary but not a sufficient condition for the available manpower to be fully utilized. The process of growth has to be geared in such a way that not only will the rate of growth to be sufficiently high but its composition should be such as to be conducive to the productive absorption of available manpower and make unemployment as low as possible.

6. On the other side of the picture it must also be pointed out that the opposite situation may also arise, i.e. a shortage of manpower arises as the economy grows and this shortage could hamper further growth. For this reason policies will need to be fashioned beforehand such that shortage of manpower, unskilled or otherwise need not arise and the full potential of the economy can be translated into reality.

7. Should the situation described above arises, i.e. the underutilization of manpower either because of failure to fully take into account the relevant factors of the conditions of the human resource or the processes of growth fail to absorb available manpower, or growth of

the economy is hampered because of the shortage of human resource, either skilled or otherwise, then human resource as the basis for nation building has not been fully realized.

8. It is in connection with fuller utilization of human resources both as a means of attaining national and development objectives and as an end in itself that cooperation among countries in ASEAN and Pacific region could be most fruitful. This is for various reasons.

- 8.1. In the period of 1982-2000 according to the World Development Report 1984 of the World Bank, all of the countries in the ASEAN and Pacific region will experience positive annual increase in population and labour force. The ASEAN region alone, for example, will experience no less than 106 million addition to its population. Canada, USA, Japan, New Zealand and Australia combined will experience a total addition of 45 million. Papua New Guinea will increase its population by 2 million from a total of 3 in 1982 to a total of 5 in 2000. These are not exhaustive listing.

So the ASEAN and Pacific region countries will face the challenge, individually as well as collectively, of harnessing at least 150 million addition to their stock of human resource in the short span of time of 18 years.

- 8.2. The ASEAN and Pacific region countries collectively possess the diversity of experiences that can be tapped to improve upon policies and actions in human resource development. The GDP annual growth rate, while high by world standards, still varies from a low of 1.8% to a high of 8.5% in 1970-1982 period. The GDP from non-agriculture varies from a low of 74% in Indonesia in 1982 to a high of 97% in the USA at the same time. The employed labour force in services

again varies from a low of 10% to a high of 66%. In 1981, the school enrollment ratio varies from a low of 13% to a high of 97% at the secondary level and from a low of 2 or 3% to a high of 58% in higher education.

9. There are examples of structural and developmental diversities that exist and can be tapped within the ASEAN and Pacific region. Underlying these, of course, are the differences in the specific policies in human resource development ranging from policies in health services to pregnant mothers to policies to promote the private sector in human resource development. Some of these issues will be discussed among conference participants. Some will not because time is short.

10. In any case, the ASEAN and Pacific region has the motivation the experiences and collective wisdom to contribute to improve policies and strategies in human resource development, a resource that has of them been taken for granted by too many for too long. It will be a pity and a great loss if such collective knowledge is not utilized to the full.

Thank you for your kind attention.

### 6.3. Comments and Discussions

(After keynote speeches)

#### CHAIRMAN:

Please ask questions or present your views regarding these keynote speeches.

#### CHIRA:

Let me lead off to stimulate discussion, referring to Prof. Okita's paper. It seems that Prof. Okita has been painting a picture of future human resources cooperation and development in the context of economic activities, in particular, the industrial and trade investment activities. Of course, that is acceptable, because once the economic output expands, then, demand for labour will definitely follow.

I tend to agree with his vision that at the macro-level cooperation in the future would involve some kind of division of labour where each country would produce their output for their domestic consumption and trade according to comparative advantage. Perhaps both Japan and ASEAN countries would have a certain respective role to play; based on economic cost and benefits. But whether that kind of approach is practical in the real situation because of the cost in the world of international trade and investment;--there is also a very strong competition. Pacific, as a region, at the moment, is not yet a community where there is a constant dialogue on such issues.

So, although I admire Prof. Okita's view a great deal, perhaps that kind of issue would be a little bit too difficult to achieve. So, I would like to have Prof. Okita's view on the practical solution for that.

#### OKITA:

It is true: My presentation emphasizes the importance of comparative advantage among countries. Sometimes there are cases where countries are starting their seemingly uneconomic industries, but in the long run, they become their economic industry or competitive industry.

So, it is very necessary, I feel, to look at comparative advantage over time in the perspective of some periods. This is generally interpreted as "infant industry theory." But in choosing industries, it will be probably desirable on the part of government planners to have some prospects of the eventual comparative advantage.



Of course, it is not quite easy to measure which industry will have eventual comparative advantage for a given country. But, their market mechanism will give you a certain measure or a yardstick for the economic feasibility of a new industry. Also, the market mechanism will give the cost consideration which will in the long run enable better distribution of available resources.

We notice there is a growing awareness of this aspect among many developing countries, compared with the earlier period of the post-Second World War, and compared with the earlier period of attaining independence of many countries in the region. Now we increasingly recognize there are more realistic approaches, more cost conscious. And I think Thailand is one of those typical cases for developing diversified agriculture, and many of their new products in agriculture have become competitive in the marketplace.

So, the careful coordination or combination of planning and market mechanism will be required. Just an ideological approach of giving emphasis on private enterprise, private market mechanism, may not be very sufficient, particularly for developing countries.

Also, I should mention that the privatization of management will be sometimes useful. But the privatization of ownership may invite social inequality, may create social frictions. So, you will have to distinguish those two aspects of the privatization of management and privatization of ownership.

CHAIRMAN:

Is there any other comment? Yes, Mr. Mendoza, please.

MENDOZA:

I would like to say that I am very happy that Dr. Sayuti emphasized the fact that the human resource is the human being. I think this is a very strongly needed emphasis. There has been a tendency at an international forum, when we talk about human resources development, to take a look at the human resource as purely a factor of production, perhaps because of the dominance of the economists. And I think it is important that as we start this Symposium of ours that we recognize that we see the man as not only a means, but also as an end, to production and to productivity.

And I think when we look at how the developing countries can be assisted by the developed countries, we should remember that it must be a partnership

and that the developing countries must have a dominant role in determining and in implementing the transfer of technology, in order to make sure that technology fits the culture and the traditions of the developing countries.

CHAIRMAN:

I am one of the economists you just mentioned, but I might please you by saying that about a month ago, the Japan Institute of Labour, sponsored by the Ministry of Labour of this country, we had a conference of economists on what we call "Human Resources Development and Utilization." There we had a very good consensus that the human resources are not only an instrument for economic development but also the end in itself in the economic development.

And therefore, I say the point is well taken. I think we are looking not only at the technical aspect of human resources as such, but also we are looking at, the emotion, the sentiment of the people, which are all spread out in different cultural milieu of our changing societies in Asia and the Pacific area.

Any other comment or question? Yes, Mr. Oldham, please.

OLDHAM:

At a risk of being tiresome on this point, I have often thought that the word "human resources" itself ought to be abolished, simply because it tends to line up a number of things together. We talk about going into production, and we assemble resources; we assemble money; we assemble land, and all sorts of things of this kind, and we assemble people. When you cease production, then;--or you change production, or its direction, then often you start thinking of getting rid of those resources, and simply cut off money, sell off land, and perhaps get rid of people. And I think this is unacceptable.

So, perhaps we should change the terminology.

CHAIRMAN:

I think we people in Asia and the Pacific area are quite flexible. So, we will take into account the point you made. Yes, Prof. Kawano, please.

KAWANO:

There are many foreign students in Japan, and I am involved with an association which helps foreign students in Japan. I have one question to the overseas participants.

When we see the expression "human resources development," I think there are two substances in these words. One substance is that in the developed countries technology has to be succeeded by the new people. And this is one sort of education to hand over the knowledge and technology which have been already developed to those people who don't have them.

Another substance is to seek for new technological development; where you would go into the virgin field of new technology.

Well, the thing that we should discuss here would be the first meaning of the human resources development. There are people who should be educated in the first category. How do we find those people who should be educated in the first category? In my judgement, in Japan, the resources, the people, had to be found in order to be educated and trained. We have the compulsory education, and we have an education system where we have a very fierce competition through examinations.

But, when we look at those foreign students in Japan, I find that these people come from the privileged family background. There are the people who really have the opportunity to be educated. I think that is most of the cases.

In Japan, privileged family background has nothing to do with the examination results. And any injustice is excluded from this entrance examination system, but only the scores and points are the critical thing to judge the students to pass or not. And that is the situation in Japan. And I would like to ask the foreign participants about their situations in their respective countries.

CHAIRMAN:

Dr. Sayuti, would you like to respond to what Prof. Kawano said? Please.

SAYUTI:

In the case of Indonesia, because of the very strict examination system, only a few people can be accepted in the state system of the university and higher learning. So, a lot of other students who want to get higher education go abroad and spend a lot of money. This is in spite of the fact that Indonesia has more than 40 universities of higher learning supported by the Government. But because of the population increase, they are not sufficient to absorb the increased demand for higher education.

SALLEHUDDIN:

I would like to discuss the proposition that only the people from very good families go overseas. And as far as Malaysia is concerned, this is certainly not the case; the Government scholars are the ones who can go overseas based on merits. And if you look at the family structure of Malaysia, for example, one cannot think of the son of a fisherman who becomes a doctor in the 1950's or in the early 1940's. But I think this is becoming common in Malaysia.

So, really, that statement is a bit generalized in Malaysia.

CHAIRMAN:

Since the time is up, and we can always bring up the issues during the next two day conference, we would like to adjourn the Morning Session at this point. Thank you.

## **7. COUNTRY REPORTS**



7.1. Japan

JAPAN'S COOPERATION POLICY IN  
HUMAN RESOURCES DEVELOPMENT

by Mr. Kimio Fujita  
Ministry of Foreign Affairs

I ODA

Let me first start with a brief description of the economic cooperation policy of the Japanese Government in general and then of our efforts of cooperation in the field of human resources development.

Japan, like other industrialized democracies, has been suffering from huge fiscal deficits in these years. The first priority task of the present Japanese Government, therefore, is to tackle fiscal reform through curtailing Government expenditures across the board. Under this fiscal constraint, however, budgetary appropriations for economic cooperation have annually been accorded an exceptionally sizable increase especially during the past decade.

In 1978 the Government announced its program of doubling the volume of its ODA in 3 years. After having successfully achieved this program, the Government is currently in the midst of an effort to further double its cumulative volume of ODA in a 5-year period from 1981 to 1985 over that of the preceding 5 years. In the current fiscal year started on April 1, the Government has requested and the Diet has just approved a 10% increase in its ODA budget over the previous year. On a disbursement basis, in 1983, according to the latest OECD statistical figure, Japan's total ODA volume ranks third after the U.S. and France. Last year,

according to our preliminary calculation, Japan is expected to have become the second largest donor country after the U.S.

## II TECHNICAL COOPERATION

Japan's cooperation in the field of human resources development has been conducted mainly through technical cooperation. The Japan International Cooperation Agency (JICA) is the central organ in charge of extending technical cooperation on an official basis. JICA accepts annually some 4,500 trainees from developing countries and sends out 2,000 experts overseas. Aside from this training program, there is a government financed JOCV project and a short-term experts dispatch programme under JICA. The student scholarship programme is carried out by the Ministry of Education. According to an OECD statistical counting, 1983, 12,394 trainees and students have come to Japan and 11,094 experts and volunteers have been sent to developing countries under government financing.

Percentage-wise, however, the share of technical cooperation in Japan's total ODA has been around 10%, half as much as that of the average share of DAC countries. Various restricting factors have been pointed out as actual or probable reasons behind this low figure. Limited supply of personnel equipped both with technical skill and linguistic ability is one. The fact that, unlike financial aid, the very nature of technical cooperation does not allow rapid expansion might be another.

All said, however, I would like to emphasize that the quantitative expansion and qualitative improvement of technical cooperation, especially in the field of human resources development, has been and will be accorded the highest priority in Japan's economic cooperation.



### III HUMAN RESOURCES DEVELOPMENT

On the occasion of Prime Minister Suzuki's visit to ASEAN countries in January, 1981, he declared that human resources development was one of the 3 priority areas together with agriculture and rural development and medium- and small-scale industry promotion in our economic and technical cooperation with ASEAN countries.

In July last year, at the Foreign Minister's Conference between ASEAN and its dialogue partners, H.E. the Minister for Foreign Affairs of Indonesia, Dr. Mochtar, took the initiative to launch the Pacific Cooperation among the participating countries and to take up human resources development as its priority field. The Foreign Minister of Japan, Mr. Abe, was among the first to support this initiative.

Our firm belief that the development of human resources has to be the basis of social and economic development is derived not only from Japan's own history of development but also from our experience of cooperation with the developing world. As a matter of fact, ASEAN countries are the places where various projects and programs in the field of human resources development have been successfully implemented. Vocational training centres, educational institutes, medicare facilities, and rehabilitation centres for the handicapped people have been constructed and are in operation under a combination of financial and technical cooperation. With this accumulated experience in mind, I would like to refer to several items in the field of human resources development currently facing us all.

They are as follows:

(1) In addition to traditional areas and sectors, we must develop new areas of cooperation such as computers, biotechnology, material science, nuclear energy, and environmental planning, for all of which

there are increasing demands. Behind such demands lies a diversification of requirements on the part of the developing countries resulting from scientific and technological development and the difference in the stages of development among the developing world. To meet these new demands, we on the donors side have to expand and diversify the mechanism of technical cooperation.

(2) New types of cooperation have emerged recently especially between Japan and the ASEAN countries. First is a combined form of technical cooperation with a larger scale and interrelated nature. The ASEAN human resources development project initiated in 1981 by the former Prime Minister Suzuki of Japan is an example. Under this human resources development program, five centres have been constructed and are in operation. These five centres are independent of each other but operate under a broad mandate and maintain working relations with their liaison center located in Okinawa.

The Japan-ASEAN cooperation on science and technology might be another example of a new type of cooperation.

A third example, the Friendship program for the 21st century, functions as a program for cultural and personal exchange as well as for human resources development.

These new types of cooperation require a considerable amount of adjustment in budgetary and implementing systems on the Japanese side but at the same time seem to open a new horizon in technical cooperation activities.

(3) The combination of financial and technical cooperation is another theme for our cooperation policy in human resources development. We place more and more emphasis on this combination particularly for the

purpose of achieving an effective operation of projects launched with our financial assistance.

(4) Programs in the form of trilateral and multilateral cooperation have recently been successfully launched and show a promising direction for the future. There are three categories in this form of cooperation

(a) Regional cooperation projects including tripartite training program.

(b) Donors' joint projects.

(c) Pacific cooperation in human resources development

Japan started tripartite cooperation program in the form of third-country training system in 1975 and have so far implemented 63 cases. With this formula, a training center located in a developing country makes training courses available not only to its own nationals but also to third country nationals with travelling and training expenses borne by the Japanese side. This has widely been welcomed among the recipient countries as a realization of the spirit of technical cooperation among developing countries (TCDC), which is advocated by United Nations resolutions.

#### IV PACIFIC COOPERATION

This tripartite cooperation in the form of third-country training programs might very well be applied to ASEAN and Pacific cooperation. I suggest that ASEAN countries could send their experts to South Pacific island countries, or trainees from South Pacific island countries be sent and trained at human resources development centers in ASEAN countries, with expenses supported by Japan. I hope this type of cooperation would pave the way for future large scale Pacific cooperation programs.

Prime Minister Yasuhiro Nakasone, during his visit to the Pacific and Oceania region last January, pledged Japan's financial contribution (\$500,000) to establish a human resources development fund at the University of the South Pacific. He also pledged Japan's grant aid for the construction of a training center for nurses and medicare workers in Fiji where not only Fijians but nationals from neighboring Pacific island countries will be trained. These pledges underscore Japan's commitment to Pacific cooperation in human resources development.

In the official level consultations on Pacific cooperation, Japan has proposed a joint study to formulate medium- and long-term projects such as a university network. Such projects can not be realized in a short period of time, but they certainly encourage us to look forward with hope to the 21st century.

#### V PRIVATE SECTOR

Japan's cooperation for human resources development has not been carried out by the efforts of the government alone. Effective cooperation requires the united involvement of the entire community. In this sense, the government has supported and will support activities of local governments and private organizations. Much of their work is carried out on a grass-roots level through person-to-person contacts.

Now a few comment on government-private cooperation, which is one of the major themes of this symposium.

In the past, technical cooperation by the government tended to be carried out primarily through vocational training, with the aim of achieving an expansion in employment. But this was not sufficient in terms of increasing the incomes of the developing countries. Thus, there have been mounting demands from the developing countries for cooperation

linked directly to such economic policies as the transfer of production technology and the improvement of the infrastructure for export-oriented industries.

The direct response to these demands would be technology transfer through local procurement and local production by joint ventures. This is where the private sector can play a major role.

As I said earlier, there are expanding opportunities for the government to encourage the private sector's involvement to accommodate the ever-diversifying needs of the developing countries. I look forward to fruitful discussions at this symposium on the means for promoting cooperation between the government and the private sector.

## VI SELF-HELP EFFORTS OF RECIPIENT COUNTRIES

Technology transfer is complete only when the recipient has mastered the technology transferred. Whether or not cooperation in human resources development succeeds depends on both the efforts of the individuals concerned and the self-help efforts of recipient countries. I wish to stress the following two points in this connection:

(1) First is the question of how to disseminate technology and have it take root. Our work can merely transfer technology to a limited number of individuals through our experts. To have technology permeate through the society at large, therefore, requires far greater efforts on the part of the recipient. In several countries there are cases where the technology acquired by an individual tends to become his personal property, which he is reluctant to share with others.

In these cases it is necessary for a recipient government to work out policy measures and institutional frameworks to ensure dissemination of the technologies in the public as a whole.

(2) The second point is the need for formulating a medium- and long-term strategy for human resources development as a major component of each country's economic development plan. In the past, too much emphasis seems to have been placed on project-oriented financial planning. I believe it is of vital importance for a recipient government to establish a medium- and long-term human resources development plan that will meet the needs of its economic and social development. This would help Japan to implement its cooperation policies towards these countries more efficiently and effectively.

## VII CONCLUSION

Japan has been muddling through the process of social modernization and economic development since it opened its doors to the world some 100 years ago. Again a similar process was followed in the postwar era of reconstruction and rehabilitation. In the field of economic cooperation with developing countries we have struggled to catch up with the level of other donor countries and today have reached the level of the second largest donor in the world.

Since the late 1950's there have been various strategies and methodologies presented on development and assistance. The Two Gaps (I-S Gap and Balance of Payments Gap) theory and the BHN have been the notable ones. From the other side, various demands and programs have been formulated in such forums as UNCTAD and UNGA.

Some of these arguments and demands may be partially justifiable. But the problem is that they are not the product of genuine dialogue between the donor and recipient.

Human resources development is a product of the dialogue between ASEAN and its partners. I sincerely hope this Symposium will contribute

to further substantiating this product of all of us partners in development.

Thank you for your patience.

## 7.2. Brunei Darussalam

### DEVELOPMENT STRATEGIES AND PROGRAMMES

by Mr. Lim Jock Seng  
Ministry of Foreign Affairs,  
Mr. Danial Bin Haji Hanafiah  
Ministry of Development

1. Brunei Darussalam has a land area of 5,765 square kilometres. Approximately 85 per cent is under forest cover. The population was 214,100 in 1984 and is expected to grow at 3.5 per cent annually. Before the discovery of oil in 1928 the economy was basically agricultural. Agricultural activities now contribute only 1 per cent while the oil sector contributes about 71 per cent of the Gross Domestic Product, and about 99 per cent of our export value. Our resources are plentiful and valuable but are not unlimited; our level of technological development is growing but not fast enough. The dominance of the oil sector has, to a certain extent, restricted endeavours to broaden our economic and industrial base and despite the high Gross Domestic Product we are essentially a developing country, sharing most of the same socio-economic problems confronting developing countries in this region.
2. Lately, the current world economic situation and the glut in the oil market affect our economy resulting in a decline of our real Gross Domestic Product for the 1983 - 1984 period. We need to develop the non-oil sector of our economy and in formulating our next development plan we hope to focus on increasing the quality of life of our people, a structural diversification of our economy, the broadening of the industrial base and increase reliance on domestic food production.



3. Some of our short term objectives and strategies of our development plan are as follows :
  - i) To maintain a high level of employment through the implementation of job creating projects.
  - ii) To diversify the economy through accelerated developments in agriculture and industry.
  - iii) To maintain a real growth rate of the gross domestic product at the level of at least 6% per annum, and
  - iv) To increase per capita income by at least 4% per annum
  
4. And the long term objectives and strategies are stated in the following:
  - i) To provide equal opportunities for all people in Brunei to participate in all kinds of economic activities (including Trade, Commerce and Industry) so that no economic activity will be the monopoly of or identified with a particular group of communities.
  - ii) To develop a national system of education from kindergarten to university level with special emphasis on the technical and vocational training.
  - iii) To preserve and promote the cultural arts and customs with the aim of forging national identity.
  - iv) To foster and promote Islam as a way of life.
  - v) To reduce and avoid any marked disparities in the development and growth of the different areas or regions of the country so as to ensure balanced growth.
  - vi) To foster and develop a disciplined, dynamic and responsible community.

- vii) To maintain an acceptable level of inflation by fiscal and monetary policies.
  - viii) To expand the comprehensive system of medical and health services by building more rural clinics and medical and health services.
  - ix) To provide and improve all public facilities necessary for the improvement of the standard of living and the encouragement of investment.
5. With specific reference to human resources development, Brunei Darussalam has a very young population with 48% of its population who are 19 years and below. The estimated labour force for 1984 is about 82,000 and this is expected to grow to 103,000 by 1989. With a small work force, our main objective is to increase the skill and know-how of the labour force, whether it is through a formal or informal process. Negara Brunei Darussalam has taken part to enhance the skill of its labour force through in-house training or formal training. Currently, Brunei Darussalam has a National Training Scheme in its plan and also an industrial training for entrepreneurs and managers. There is, at the moment, co-operation with Mitsubishi a scheme for upgrading and training of mechanical skill.
6. The emphasis on Technology for Development must be pursued. Although the responsibility of improving the national technological capabilities rests largely on the countries themselves, there is a fundamental need for a forum, a mechanism through which the transfer of technology could be facilitated and nurtured.

7. In our endeavour at nation building, Brunei Darussalam will need technical assistance and training in specialised fields. We will need to acquire skills to enhance the technological capabilities of our human resources. In this connection, we hope to establish the necessary institutional framework and to make the structural changes much needed to allow us to participate fully and actively in Technical Cooperation Among Developing Countries (TCDC) programme.

### 7.3. Fiji

STRATEGIES AND PROGRAMMES FOR  
HUMAN RESOURCES DEVELOPMENT  
IN THE FIJI PUBLIC SERVICE

by Mr. Apisalome Tudreu  
Public Service Commission,  
Mr. Hector Rex Hatch  
Fiji National Training Council

#### INTRODUCTION

For every organization whatever its composition or purpose, the development of manpower in terms of skills, knowledge and experience is of crucial importance. On the national level it is critical and like any developing nation Fiji needs to develop and effectively utilize qualified manpower and the Government, as the largest employing authority, plays a major role in the national human resources development scene. The Central Government, in its interest in establishing and continuing proper standards of efficiency and economy in the public service, monitors growth and changing patterns within the Service and thus also the consequent demands on staff both in terms of the future and the scope of responsibilities. In addition, apart from the task of human resources development within the Service, the Government of Fiji also pursues a policy of national localization and also attends to national growth and wastage requirements through sponsorships of qualified individuals from outside the public service.

## OBJECTIVES

The Fiji Government's human resources development machinery has the following intention:

- (i) to facilitate efficiency and economy in the public service through training and development of officers;
- (ii) to promote through appropriate training the localization of expatriate positions within the private and public sectors; and
- (iii) to satisfy the national growth and natural wastage requirements by facilitating the supply of qualified manpower for both the public and private sector needs.

## SYSTEMS

### a) National Manpower Planning

Since the 1960s national manpower planning has been part of development planning in Fiji and was first officially included in the Government's 1966 - 1970 Development Plan. The scheme used today in the public service involves the various civil service departments in the investigation and specification of manpower requirements. The Public Service Commission as the central personnel authority in the Fiji public service coordinates.

### b) In-Service Training

In the Fiji Public Service we have established systems of human resources development of which the most commonly utilized are :

- (i) training courses
- (ii) on-the-job training
- (iii) job rotation
- (iv) delegation

- (v) acting appointments
- (vi) interchange schemes
- (vii) other

(i) Training Courses

Needs are analyzed, and based on this assessment, training programmes are organized to upgrade the performance of officers or to prepare them for future responsibilities. Officers are either trained locally at the Government Training Centre, other local vocational training institutions, or where the local facilities cannot offer appropriate programmes, officers are sent to appropriate overseas institutions e.g. in Australia, New Zealand, UK, USA, India, etc.

Courses are arranged according to the needs of the individual officers and their organizations. Local technical institutions cater mainly for technician level training and the University of the South Pacific offers academic training up to postgraduate level.

The Fiji Government Training Centre courses are conducted by local instructors who are experienced jobwise and who have gone through appropriate human resources development courses overseas. There are also top level training and development programmes from time to time which involve experts who are brought in as resource persons from recognized overseas institutions and organizations.

(ii) On-the-job training is a continuing process within the normal organization work programme and all supervisors are expected, as they pick up weaknesses among staff, to ensure that remedial action is taken so that the correct methods are followed. Handled on-the-job this method involves explanation of new and correct techniques and guided experience.

(iii) Job Rotation

Supervisors within public service units or sections plan out and arrange new experiences for their subordinates by rotation of duties. Allowing officers under this system the opportunity to try out new responsibilities promotes much needed versatility.

(iv) Delegation or the spreading of duties of the senior officer to the subordinate is not only convenient as far as attention to tasks is concerned; it also provides the delegate experience at handling specific jobs, especially those of a higher level of responsibility. In time the subordinate will have acquired enough skill and knowledge to take up the higher position as soon as he is required to do so. Delegation happens at all levels of the public service and although mainly organised as a semi-formal arrangement is in fact a very deliberate development scheme.

(v) Acting Appointments

Apart from this being a 'filling-in' of positions during the incumbents' absence, it is also a training opportunity for the 'stand-in' who is normally the immediate subordinate. With guidance the acting appointee is developed through discharging the higher level duties.

(vi) Interchange Schemes allow officers as in the job rotation discussed earlier to take up new but normally equal level responsibilities either at other public service departments and organizations or, within the private sector and external organizations. This option has only recently been developed and it is intended that eventually a formal system of interchange of personnel between the public and private sectors will be implemented. Indeed, one of the reasons for coming here is our desire to learn ways and means of developing such a scheme.

(vii) Other avenues for development are also available to our civil servants in visits, tours, meetings where they can acquire ideas that could be beneficial both to them and to their organizations.

c) Pre-Service-Training

Manpower needs in relation to localization of expatriate positions, growth and adjustment needs of the public service, other organizations, and natural wastage, are regularly appraised. Available resources, from the Government of Fiji, and aid from other nations, and also from other local and overseas organizations, are also assessed to determine the volume of sponsorship. Opportunities thus worked out are then advertised. Normal shortlisting and interviews then follow before the trainee is selected and sponsored to attend institutions decided upon by the Government. Trainees are sponsored for training at overseas institutions only if the desired programme of studies is not available locally.

d) The Fiji National Training Council

Whilst this paper was intended to present an overview of the human resources development scene in the Fiji Public Service it would not be complete without a brief comment on the principal training institution in Fiji, the Fiji National Training Council.

The Council was set up through the passing of the Fiji National Training Council Act in 1973 and is, in summary, charged with the responsibility of co-ordinating, and where necessary implementing, the determination of the national manpower training needs and the provision of relevant training thereon. Its principal directors are appointees from the Government, trade unions and the private sector, of the Minister for Employment and Industrial Relations.



The work of the Council, its secretariat and technical staff, is funded by employers who pay a training levy of 1% of their basic salary bill. Employers who carry out or arrange training and education of their employees to standards set by the Fiji National Training Council are eligible for cash grants of up to 100% of the levy payment made by them.

For our paid employment sector in the Fiji's economy, the introduction of the Fiji National Training Council Act was the principal factor in the creation of awareness of the need for human resources development.

## 7.4. Indonesia

### HUMAN RESOURCES DEVELOPMENT: THE CASE OF INDONESIA

by Dr. Sayuti Hasibuan  
BAPPENAS

#### 1. INTRODUCTION

A discussion on human resource development in Indonesia may appropriately start by looking into the meaning of the term human resource development as defined in Indonesian basic planning document. According to the Guidelines of State Policy of 1983, human resource development consists of at least three identifiable processes. These are the development of the resource, its utilization and its management. The development of the human resource in this sense deals at least with processes of education and training, the provision of food, nutrition and health services. These are the processes that deal with the preparation before the bulk of the human resources become the labor force of the country. The utilization of human resource covers efforts to employ human resource as part of the development effort. And the management deals with the institutional mechanism that will ensure that the processes of development of human capacities and their utilization are properly executed either in the society at large or in individual employing units.

The basic Guidelines of State Policy of 1983 state: In the effort to increase the standard of living and to utilize a large population as assets in the development of the nation, it is necessary to intensify efforts in the management, development, and utilization of the human resource potential. This is done through giving priority to development efforts that will enhance the expansion of job opportunities, increase food production and the nutrition and status of health of the population, improve the quality of education and

training, and improve the provision of health services. In this way it is hoped that development leaders who are dedicated and possess a high degree of integrity, versatility and skill, self-confidence and enthusiasm will be developed.

Given the meaning of human resource development as expounded above, one can say that the challenges in the remaining years of this century are in the proper preparation, utilization and management of the resource in development process. In this regard three factors seem to be of paramount importance. First, an increase in population and its distribution. The increase in population means that the amount of financial resources that have to be allocated for human capital formation through education and the fostering of proper nutrition and health services, etc. will also increase! These investments are very important and very necessary. However, their benefits can only be expected after a long period of time perhaps in the 21st century. In the short term however, such resources are precluded from being deployed to improve the quality of the existing stock of human resource.

Secondly, a change in structure of the economy has consequences on human resource development. An increase in the productivity of the agricultural sector and increasing share of non-agriculture in the economy, as a source of income and employment, as has been experienced in the last fifteen years result in changing skill structure of the labor force. The more diversified economy also means a more diversified skill requirement in terms of types as well as levels and numbers. In the short run, this means that training policies will need to be adjusted. In the longer run education policies also will have to take into account the changing requirement of a changing economic structure.

The third factor in human resource development deals with the participation of the private sector. The diversified labor force that is

required to maintain and improve productivity and promote employment and growth also means increasing cost in skill formation. This is because the schooling and training of labor force entails a longer period of time. The more diversified skill structure also means a wider decentralized participation is required. This implies a greater role of private employers of labor in the various phases of training and skill formation.

It is evident that these factors, i.e, the increase in population, the change in structure of the economy as well as the modes and means of human resource development are not independent of each other. The pace of change in the structure of economy depends not only on the sufficiency of skilled human resource in terms of quality and quantity but also on the rate of increase in population and on the degree to which existing manpower can be effectively utilized. And effective mechanism in human resource development will therefore have to be defined not only in terms of preparation of the resource to support economic development but also in terms of its ability to foster productive utilization of the resource. In this sense a conference such as being held can be most beneficial.

## 2. POPULATION SIZE AND INCREASE

The 1980 Population Census of Indonesia reported that the total population in the census year - 1980 - was 146.7 million. The average annual increase in the total population between 1971 and 1980 was estimated at the rate of 2.3%<sup>1)</sup>. Based on the medium stage of projection the total population was projected to be 158.1 million in the beginning of Repelita IV, 1983. By the end of Repelita IV, 1988, it is estimated that the total population will reach 175.6 million which gives an increase of 17.5 million or 11% in five years<sup>2)</sup>. By the year 2000 the Indonesian population is projected to be about 217 million.

In the context of human resource development, our first concern is educational level of the population. The 1980 Population Census reported that slightly more than half (56.6%) of the population aged ten years and above have not completed primary school education<sup>3)</sup>. This reported figure for 1980 indicates that Indonesian population is still experiencing a relatively low level of education, especially when compared with the neighboring countries. At the beginning of Repelita III, 1978, the percentage of population aged 7 - 12 years enrolled in primary school education is 79.1%. This percentage increases to 97.2% by 1983, the end of Repelita III and the beginning of Repelita IV. Similar trend is indicated for each level of education (see Table -1).

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1) Biro Pusat Statistik, Proyeksi Penduduk Indonesia: 1980 - 2000, Jakarta: Biro Pusat Statistik, 1983

2) Rencana Pembangunan Lima Tahun, Book III, Table 25.1, p.256

3) Biro Pusat Statistik, Population of Indonesia, Serie S, Number 2, Table 09.9, p. 54, Jakarta: Biro Pusat Statistik, 1983

The efforts in improving the educational opportunity are still continued and expanded in Repelita IV (see last column of the table -1) for the target by the end of Repelita IV). It is to be noted that compulsory education is introduced in Repelita IV aiming at giving education for all population aged 7 - 12 years in 1986.

Table -1: SCHOOL ENROLLMENT RATIO BY LEVEL OF EDUCATION

Description	1978	1983	1988
Percentage of Elementary School students to total population aged 7 - 12 years	79.1 (21.5)	97.2 (23.8)	100.0 (26.0)
Percentage of Junior High School students to total population aged 13 - 15 years	28.4 ( 9.5)	44.0 (10.7)	65.0 (11.9)
Percentage of Senior High School students to total population aged 16 - 18 years	14.7 ( 8.8)	25.3 ( 9.9)	39.5 (11.1)
Percentage of University Students to total population aged 19 - 24 years	2.5 (14.8)	5.1 (15.7)	8.2 (19.8)

Note: Figures in parentheses indicate the number of population in the corresponding ages.

Source: Rencana Pembangunan Lima Tahun Keempat, Book II, Tables 20.1 through 20.4

Not only the quantity of education has been given high priority in the development plan but also its quality including the ones that meet the employment opportunity. Education is not only provided in school but also out of school through society and family environment but also of the society, family and even individual.

Health condition has been indicated to be improved in Repelita III. Important indicators are mortality rate, infant and child mortality rates, life expectancy, nutritional status and morbidity rate. Although there has been a decline in mortality rate, it is felt that its level remains high. In 1983, for example, the infant and child (aged 1 - 4 years) mortality rates are 90.3 and 19.6 per thousand respectively (see Table -2). Lack of nutrition and vitamin A is still existing in Indonesia.

Table -2: MORTALITY RATES AND LIFE EXPECTANCY

Description	1978	1983	1988
Crude death rate	13.5	11.7	10.1
Infant Mortality rate	103.0	90.3	70.0
Child (1-4) mortality rate	20.9	17.8	14.0
Life expectancy	52.0	56.0	59.0

Source: Rencana Pembangunan Lima Tahun Keempat, Book III, Table 23.1, page 134.

In order to improve the health condition, the Repelita IV has set forth policies including improvement of quantity and quality of health services through hospitals, clinics as well as public health centers, increase of awareness on healthy life and environment and improvement of nutritional status especially for pregnant women, lactating women and infant and children. Table -2 indicates the corresponding goal for improvement of health condition by the end of Repelita IV.

The nutritional status largely depends on the quantity and quality of food consumed. The 1980 Food Balance Sheet indicated the daily per capita caloric and protein intakes are 2,570 calories and 48.4 grams. These figures are higher than the requirement for Indonesian population, namely 2,100 calories and 46.0 grams respectively. However, there are parts of Indonesian population who are still undernourished although the number is declining. This indicates that there is inequality in the food distribution across the regions, families and income groups. As for the quality of food, there is a tendency of monolithic type of food habit. Some important ingredients of food are neglected by parts of the population.

In the context of food supply and improvement of nutritional status, efforts have been directed to the increase of food production aiming at self sufficient food supply and meeting the nutritional requirement. Variation of food consumption pattern has also been motivated in order to reduce the degree of dependency on rice. Rice substitutes have been introduced and production has been accelerated. More specifically, various efforts have been made to improve the nutritional status of the population i.e. through the Family Nutritional Improvement Program.

In response to the problems of rapid population growth, the Government of Indonesia has launched a national family planning program which is a fully government supported program since 1970. This program is meant as one of the means in the efforts to reduce the rapid population growth through reduction of birth and fertility rates. It is also acknowledged, furthermore, that family planning program has direct effect on fertility behavior.

In addition to its main goal of reducing fertility level, national family planning program is aimed at educating the population on the awareness of population problems faced by the country: Moreover, coupling with other



development programs, the family planning program is aimed at institutionalizing the norm of small and prosperous family.

It is reported that about 16 million of eligible couples aged 15 to 44 years or more than 55% have adopted family planning program. The types of contraception used, however, vary largely from the traditional method such as herb and rhythm to the more modern one such as IUD. Given the high varieties of employed methods, it is the aim of the program in Repelita IV to motivate the family planning users to use the more effective method in addition to enlarge its coverage reaching population with low socioeconomic status.

It is expected that, through efforts in the family planning and other efforts population growth will be reduced from 2.3% in Repelita III to around 2% by the end of Repelita IV.

### 3. CHANGING STRUCTURE OF THE ECONOMY AND ITS TRAINING CONSEQUENCES

It is with regard to the increase in the labor force that the population increase and its distribution have significant impacts on the rate of growth of the economy and on its structure. The total labor force in 1983 has been estimated to be 63.5 million and is projected to increase to 72.8 million by 1988, a yearly increase of 2.8% or 1.8 million. Hence in the five year period of 1983 - 1988 a total 9.3 million new jobs will need to be created. If such a number of new jobs is created, then unemployment and underemployment would be prevented from increasing. It is therefore of utmost importance that economic and other policies in human resource development should be consistent with and supportable to the absorption of manpower of such magnitude in the years to come.

In this regard it may be reported that the Government of Indonesia pursues an active and comprehensive policy in order to utilize productively not only the addition to the labor force but also to reduce as much as

possible the existing unemployment and underemployment. Its macro policies in fostering economic development are designed, among others, to promote exports of non-oil labor intensive goods and services in which Indonesia has comparative advantage. Although Indonesia has attained self sufficiency in rice production, agriculture is still one of the priority sectors to be developed in the Fourth Five Year Development Plan. Its rate of growth has been projected to be 3% annually in 1983/84 - 1988/89. Special effort will be made to foster the development of small and medium sectors of industry as these are large employers of labor. Industry is expected to grow annually by 9.5%. Development of the construction, transportation and communication sectors, and others are also designed to absorb as much as is productively feasible the addition to the labor force.

The annual growth of the economy in the 1983 - 1988 period has been projected to be 5%.

As part of an effort to direct the growth in the labor intensive path, the Government of Indonesia undertakes various special programs to absorb labor. One of these is the transmigration program. Through this program a total of 750,000 families will be moved from Java to other less populated islands in Indonesia. Each family is provided with at least two hectares of land, one hectare being fully cleared by the Government, a house, a living subsidy, seeds and fertilizers. Each settlement of 500 families is provided with the necessary public facilities such as schools and community health centers. The transmigration program is expected to remain a significant effort in job creation and regional development towards the end of this century.

Through various policies to promote the intensity of the growth process such as outlined above, it is expected that the bulk of the Indonesian labor force will be productively absorbed in the economy. There will be a shift in

the employment from mainly agricultural at this time to non-agricultural employment towards the end of the century. Out of the employed labor force of 55.2 million in 1983, 55% is estimated to be employed in the agricultural sector. This is expected to be reduced to 50% by 1988, although the employed labor force is estimated to increase to 64.6 million by then. The proportion of the labor force working in agriculture is expected to decrease further toward the end of the century.

What are the implication on training and education of the labor force to support such a change?

In general the labor force will be not only more literate but it will also need more specialized training. Those who will enter the labor force for the first time will be more educated than their predecessors. However, they will need more specialized training in more areas. The experience in the Indonesian economy in the last fifteen years and our projection for the future show that there is a large increase in specialized skills that are required to support such a structural change. It is for this reason that in the Fourth Five Year Development Plan a greater emphasis is given to technical and vocational fields in the educational program. Among others, it is planned that existing technical and vocational schools will be rehabilitated. These include 145 technical high schools, 23 agricultural senior high schools, 277 commercial and economic high schools and 115 other vocational and technological high schools. At the same time, in the five-year period of 1983 - 1988, a number of senior high schools in vocational and technical field will be constructed, among others, 40 new technical schools, 30 new agricultural high schools, 40 new economic senior high schools and ten new industrial and senior high schools.

The development and expansion of the various types of specialized senior high schools in the field of technology, agriculture, industry, economics and

commerce are expected to graduate a total of one million graduates in the course of the five year period. Aside from this, in the tertiary sector, the number of polytechnics to be constructed will increase from 7 at the moment to a total of 34 by the end of the Fourth Five Year Development Plan. These polytechnics are attached to 32 universities and institutions of higher learning.

To support the structural change that has been put forward, it will be necessary to undertake an active policy in the field of training. The training will be directed to two groups of people namely, those who are about to enter the labor market and those who are already members of the labor force. It has been estimated that a total of 4.8 million persons will experience some kind of training either in government-owned vocational training centers, in enterprises, or in privately operated training institutions. An emphasis will be put on improvement in the quality of training. Towards this end a number of policies will be undertaken. Module system of training will be promulgated in various vocational schools. The outputs of vocational training institutions will be controlled through accrediting, standardization and certification systems. Vocational guidance is and will be increasingly provided to participants in training especially those who are new entrants of the labor force.

#### 4. THE PARTICIPATION OF THE PRIVATE SECTOR IN TRAINING OF THE INDONESIAN LABOR FORCE

It is evident the private sector in the economy has to play a significant role in the training of the labor force. This is because the kinds of skills that need to be imparted are varied both in type and degree of expertise. These also change in accordance with the changes in demand in the markets.

Hence, as a practical matter, the employing organizations have to play an active part in the training of its employees.

The participation of the private sector first of all takes the form of sharing the cost in training. Participants in government training institutions will pay a training cost for those who could afford to pay. For those participants who are categorized as belonging to the weak economic sector, the pay will be reduced. The cost sharing especially applies to trainees who are sponsored by their employers.

In the Fourth Five Year Development Plan, the Government is also actively promoting the development of private training institutions. Towards this end, support has been and will be continuously given to private training institutions in connection with curriculum development, instructor training, management of training centers and other facilities. In the Fourth Five Year Development Plan, a total of 12,500 instructors in various fields will be trained. A part of this number will recruited from the private sector.

A very important policy component in furthering the participation of private sectors in upgrading the skill and motivation of workers in enterprises is the promotion of industrial relations based on the basic ideology of the country: 'Pancasila.' "Pancasila" means the Five Principles and these can be translated as 'Belief in One God,' 'Humanity,' 'Unity,' 'Discussions in order to arrive at consensus,' and 'Social justice for all the people of Indonesia.' A basic tenet of such industrial relations is the assumption that basically there is community of interests between workers, management, and the Government in promoting the interests of the enterprise. Labor organization in an enterprise has the obligation of inculcating awareness and responsibility to promote the efficient functioning, profitability and continuity of the enterprise. The interest of their members has to be seen in this larger context. The management of enterprises together

with labor organization has the responsibility of safeguarding and promoting the interests of all workers in the enterprise. It is within the context of promoting the realization of industrial relation based on 'Pancasila' that various issues, including those connected with training of workers, are discussed within the enterprise between the labor organization and the management. At the national level, with regard to skill formation and skill promotion, there has recently been established 'National Training Council' whose members include representatives of workers' organizations, chambers of commerce, university experts, and representatives of government departments. The chairman of the council is the Minister of Manpower.

It is evident then that private sectors in the economy including labor organizations, enterprises, and their associations are promoted to participate in the training of workers. In the industrial relations, the system based on 'Pancasila' is viewed that there is a community of interest, between workers, management as well as the Government to promote the training and skill of workers in order to insure continuity of the enterprise and the employment of workers.

##### 5. AREAS OF POSSIBLE COOPERATION

From the perspective of Indonesia, there is a wide area of possible cooperation in Asean and the South Pacific region. Cooperation may take the form of projects that may enhance the productivity of manpower who are already employed. Cooperation may also take the form of projects that may help train new entrants to the labor force, helping them qualify to fill in existing positions. Or it may take the form of projects of exchange in views, research projects on human resource development, and generally on the promotion of human centered development strategy.

Indonesia, however, in its present stage of development, a priority area for cooperation consists of those activities which will enhance labor absorption in the development process. Cooperation in this area may take the form of projects that will increase the demand for labor intensive products in agriculture and manufacturing, and services. It may also take the form of activities that will enhance productivity of existing workers without making some of them redundant. The reduction of underemployment and unemployment in the economy is the most direct way to improve the productivity of existing human resource.

Within the wide area of possible cooperation, the Indonesian delegation is confident of the possibility to define common areas of interest that will be the basis of fruitfull joint action.

## 7.5. Japan

MANPOWER TRAINING IN THE JAPANESE  
INDUSTRIES--A NOTE ON JAPAN'S  
EXPERIENCE IN HUMAN RESOURCES  
DEVELOPMENT IN LINE WITH  
INDUSTRIAL DEVELOPMENT--

by Professor Konosuke Odaka  
Hitotsubashi University

### I

On-the-job training (OJT) is a leading method of occupational education in Japan especially in the manufacturing sector. In other words, the Japanese workers usually receive their manpower training in its narrow sense of the word after they join particular work organizations such as factories, banks, trading companies, etc. Formal school education, which is compulsory up to the ninth grade (i.e. the third year in junior high school), comprising some 18 million pupils in 1982, consists almost entirely of general curricula which aim at developing the pupils' ability handle abstract concepts (e.g. arithmetic and sciences) and at bestowing on them as wide and extensive knowledge as possible (e.g. history and social studies).

Essentially the same picture holds throughout the higher stages of the country's educational process, i.e., senior high schools, junior colleges and universities (with 4.6 million, 0.4 million, and 1.8 million students as of 1982, respectively). In particular, colleges and universities have considered it their business to engage in purely academic researches and in the teaching of fundamentals, and have not concerned themselves much with producing ready-made practitioners. Especially irrelevant to the purposes of



occupational education are humanities subjects in colleges and universities. To this extent at least the expenditures on Japanese college education has been largely incurred for consumption purposes.

One may also call his attention to a large number of preparatory schools (juku) which do not come under the jurisdiction of the Ministry of Education. Privately run on a wholly competitive basis, these schools offer special training for pupils and young students who wish to prepare for entrance examinations at various levels. A juku can hardly be called an institution for vocational education.

Normally, therefore, teachers in the regular school system are rather detached from day-to-day occupational practices in the society and thus ignorant about the specific work requirements of the contemporary industries; they are in fact seldom prepared to provide occupational education.

## II

This does not mean, however, that Japan has ignored the need to supply practice-oriented courses. In fact, the Ministry of Education has been long concerned with setting up schools designed specifically to train industrial manpower. Accordingly, in 1982 there were 3,758 occupational senior high schools (such as agricultural, industrial, commercial, etc.), comprising about 45 percent of all the senior high schools in the country (night schools inclusive) or about 30 percent of the entire population of senior high-school students. Still on the higher levels of learning, the country ran 62 technical colleges (koto senmon gakko) in 1982 with some 47 thousand students, which supplied advanced technicians and/or junior engineers. Last, but not least, of all the university faculties, the faculties of engineering are probably the most sensitive to the industrial needs for their research products, and also are an important source of young engineers-to-be.

(One may observe in passing that perhaps the most well-structured, professional-oriented part of the present-day school system in the country may be found in the medial schools, either public or private.)

Aside from the formal educational institutions mentioned above, there were (in 1982) 7,671 trade schools of all kinds (senshu gakko and kakushu gakko) with 1.1 million enrollment the majority (94 percent) of which were run privately offering a variety of professional training courses ranging from dress-making, computer programming, automobile repairing to cooking. It should be noted that the enrollment at these trade schools has been increasing partly because of the relative shortage of colleges and universities.

In addition, there are a variety of organizations offering courses for personal education such as calligraphy, flower arrangement, tea ceremony, etc. However, these courses aim not so much at vocational training as at personal enjoyment.

The Ministry of Labor also oversees approximately 1,500 occupational training centers, both public and private, which offer relatively short-term courses on skill formation such as welding, machining, general construction, etc. However, the size of student enrollment at these centers is at most one quarter or so of that of the trade schools. As an illustration, one may observe that the Ministry of Education spent about 4.3 trillion yen in 1979 for general education (of which 1.9 trillion yen was for compulsory education), and that the budget for occupational training programs by the Ministry of Labor was only two percent or less of that for general education.

### III

The activities of these occupation-oriented schools notwithstanding, it still remains that practical, day-to-day occupational requirements are largely mastered by learning by doing, especially in manufacturing production: hence

the importance of on-the-job training there. Needless to say, however, the patterns and intensity of OJT vary from one occupation to another and from one industry to another.

Why is OJT so prevalent in the Japanese industries? Let me suggest four reasons for this.

First, the very fact that the Japanese education has consistently stressed the upgrading of general intellectual capabilities (such as languages and arithmetic, as noted in the previous section) makes it both necessary and sufficient that the industries fulfill the need for practical training only in the areas where OJT is the most appropriate means of instruction.

Second, the process of Japanese economic development has resulted in a considerable rise of capital intensity in production, whereby increasingly complexed and expensive machinery have been introduced, replacing skilled craftsmen. Manpower skills of various kinds have been gradually transferred to, and embodied in, capital equipment. As a consequence, the work processes of factory workers have progressively become complementary to production equipment. Under the circumstance, worker training is said to be most effective when it is conducted on-the-job. Moreover, while the workmen have been deprived of old manual skills, new intellectual traits have been required of them in order to ensure proper judgement and prompt decision making, as pointed out by Veblen as early as in 1914 (Veblen (1914), pp. 306-09). The transformation in the nature of the factory work has probably been made easy by the gradual increase in the average educational attainment of the working population.

Third, more and more of the contemporary industrial activities are performed by groups. Each worker is assigned a role to play in the complex system of production. In turn, he (or she) is expected to learn how to run the system effectively and efficiently. This is especially important when the

work organizations grow in size. And the indispensable know-how and information for the task can be learned and acquired only through on-the-job training.

Forth, one must take note of the historical context in which Japanese economic development has taken place. More specifically, remember the importance of borrowed technology as well as the speed with which the economy has expanded (see Ohkawa and Rosovsky (1943)). While the country experienced concurrent growth of modern and traditional sectors, the development of the former was made possible through either skillful adaptation or one-hundred percent adoption of western technology. Since the imported technology was not quite identical from one factory to another, it demanded a type of worker education tailored specifically to meet the needs of individual firms, and such training was most often conducted on the job.

In sum, OJT has been a dominant form of occupational training of workers in the manufacturing sector for some time. Note, moreover, that the second and the third factors mentioned above are not unique to Japan (cf. Doeringer and Piore (1971), pp. 27-34 and Koike (1981)).

#### IV

Three critical comments are now in order.

(1) The formation of the Japanese pattern of manpower training has been favorably affected by the rapid diffusion of elementary and middle education, which has helped foster the homogeneity of work force with a reasonably high level of educational attainment. One could argue, therefore, that compulsory education has in effect formed an essential part of manpower training. Not only did it systematically train the youth in the basic skills of reading, writing and arithmetic, but it also taught them what it meant to lead

disciplined working life. (By the same token, military training in the pre-W.W.II days may have had similar positive effects.)

In any event, formal manpower training might have been practiced longer and more extensively, had the introduction of the compulsory education system (1872) been delayed. In actuality, however, the requirements of in-plant training courses for selected blue collars were progressively shortened as school enrollment at primary schools virtually reached one-hundred percent by the 1920s. For instance, the curriculum of courses offered by the Mitsubishi Heavy Industries for its prospective foremen was considerably shortened from five years in 1890 to four years in 1917 and further to three years in 1923 (Odaka (1984), pp. 217-22).

(2) The predominance of OJT in manpower training has some serious misgivings. By the very nature of the firm-specific training, the cost of OJT is born by the firm (see Becker (1975), pp. 16-37). (If the training is partly general and partly firm-specific, the cost may be shared by the firm and the workers themselves, the proportion being determined subject in part to the political strength of the both parties.) It follows that the management has a strong incentive to invest on human beings by providing firm-specific training, by way of OJT or otherwise, only when can it expect with reasonable certainty that the workers stay with the company long enough for the management to recover the cost of training. In other words, the firm's willingness to invest on OJT is negatively correlated to the turn-over rate of the work force. In this setting, it will be better for the employer to have the trainee share a portion of the training cost; the worker will then judge it more beneficial to stay longer with the same firm, because his labor will be evaluated more highly by his own company than by others.

The willingness of the Japanese manufacturing firms, especially big ones, to spend generously (so it seems) on firm-specific OJT hinges on the relative

stability of their workers. While the youth turnover rate has indicated an increasing trend, its overall average has tended to be below the corresponding levels observed in other industrialized nations, notably the United States of America. (Naturally this has had close bearings on the issue of employment tenure.)

Thus, it seems safe to conclude that the strong reliance on OJT discourages labor mobility. For one thing, transferred workers are often put at a disadvantage compared with their colleagues who have stuck with the same firm. Put another way, the system offers few "second chances" to those who wish to correct their errors in their occupational selections. Moreover, the management feels less inclined to invest on the older workers whose physical fitness is declined and efficiency seemingly deteriorated. Thus social underinvestment on manpower resources may ensue, if the working of the system is left to the forces of its own.

(3) With the arrival of electronically controlled machinery, transformation may take place in the labor market and in the method of worker training. While certain manual skills may become obsolete and be replaced by new machinery such as robots, the existing operators will attend to more diversified job assignments than previously. The consumers' demand for more diversified goods and services, as well as their desire "to be different from others," may lead to the development and the small-quantity production of unique commodities instead of the manufacturing of standardized, mass-produced goods. These new trends may lessen the overwhelming importance of OJT in the manufacturing firms. For instance, the techniques of computer programming and/or handling of personalized computers are more suitable to the formal, off-the-job training method. However, the exact course of such events is yet to be seen in the future.

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## 7.6. Malaysia

### HUMAN RESOURCES DEVELOPMENT IN MALAYSIA

by Mr. Sallenhuddin Bin Abdullah  
ASEAN National Secretariat

#### A. INTRODUCTION

1. This report is essentially divided into two main parts. The first part involves a discussion of Malaysia's position and perception vis-a-vis the ASEAN-Pacific Cooperation (APC) on Human Resource Development (HRD). The second portion of the report confines itself to Malaysia's request for assistance from the dialogue partners (including Japan) in the areas of HRD in line with Malaysia's national objectives and the rapidly changing domestic and international economic environment.

#### B. ASEAN-PACIFIC COOPERATION (APC) ON HUMAN RESOURCE DEVELOPMENT (HRD) - THE MALAYSIAN VIEW

2. The subject of Pacific Cooperation has been discussed and debated by many that are present here today as far back as the late sixties and the early seventies. It has been the subject of many seminars, symposiums, colloquiums and doctoral dissertations on both sides of the Pacific Ocean. However, it is the ASEAN Pacific Cooperation (APC) which was endorsed by the Foreign Ministers of ASEAN Countries and her five Pacific dialogue partners (namely, Australia, Canada, Japan, New Zealand and the United States) in Jakarta last July that made some semblance of cooperation between countries in the Pacific region come into reality.



3. It has been argued that cooperation amongst countries in the Pacific region is a natural consequent of high-economic growth experienced in the region in the last decade or so. This thesis is in conformity with the perception that the Pacific region would become the growth center of the world's economy in the 21st Century. However, high economic growth alone is not the determinant for forging regional cooperation in the Pacific area. If it had been so, why was APC not conceived earlier on or why was it that other forms of regional cooperation did not emerge much earlier.

4. The establishment of APC last July in Jakarta is not attributable only to the common experience of high and rapid economic growth of the participating countries in the last decade or so, but it is also the culmination of a host of other diplomatic, political and economic factors. The emergence of APC most importantly is attributable to the feeling of mutual economic and political interdependence between ASEAN member countries and her five Pacific dialogue partners. This interdependence which has grown and developed over the years through the dialogue process could further be extended to cover countries especially the developing countries in the Pacific region. The establishment of APC also marks the psychological maturity of participant members in overcoming the dependence syndrome which characterized the relation between developed and developing countries in the Pacific region.

5. On this basis therefore Malaysia perceives that the cooperative relation of participants under the APC should be equal and mutually benefitting without dominance from any faction or grouping. Malaysia also adheres to the guiding principles of APC that had been agreed to by

participating countries during the last APC Senior Officials Meeting (SOM-APC) held in Jakarta in late January. The guiding principles agreed were as follows:-

- (a) Maximum use should be made of existing institutions (including private sector) especially those based in ASEAN countries in formulation and implementing the Programmes;
- (b) the financial and/or technical cooperation provided under the Programme should be complementary and supplementary to existing programmes being assisted bilaterally or regionally;
- (c) the cooperation Programme should not involve the creation of new institutions,
- (d) the Programme should neither duplicate nor compete with existing activities;
- (e) the Programme should involve the participation, interchange and cooperation of both developed and developing countries in the region;
- (f) the cooperation should give due consideration to national needs and priorities;
- (g) the Programme should try to obtain the active involvement of the private sector, academic and training institutions and nongovernmental organizations.

6. The Jakarta SOM-APC held in late January had identified the areas of HRD concentration as follows:-

- (a) Management and Entrepreneurship
- (b) Science and Technology
- (c) Agriculture, Forestry and Fisheries
- (d) Industry

- (e) Transport and Communications
- (f) Trade and Services
- (g) Research and HRD Planning

In planning the programmes and projects to implement the APC-HRD, priorities based on national needs should be the major criterion in determining the project options to be agreed by participating countries.

7. In terms of financial allocation for the APC-HRD Programme, Malaysia holds the view that assistance given under this Programme should not affect the allocation of funds to existing bilateral projects. Separate funding schemes have to be established for the APC-HRD by the developed participant countries.

C. APC-HRD - MALAYSIA'S NEEDS

8. In analysing the type of assistance that is envisaged by Malaysia from the APC-HRD Programme, it is important to note the changing domestic and international economic scene which determines the human resource development requirement.

9. On the international economic front, there are two important developments which have structural impacts on the domestic economy and in turn influence the manpower planning and requirement needed for Malaysia in the immediate years to come. Firstly, the international economy in the last few years has been characterized by the decline in the prices of primary commodities on which many developing economies (including Malaysia) are dependent upon. The prices of natural rubber, saw-logs, sawn-timber and tin has respectively declined by 15.7%, 2.7%, 5.7% and 9.9% between the years 1979 and 1984. Declining prices of primary

commodities in economics like Malaysia would have to be partially offset by increase in the exports of semi-processed and manufactured consumer durables which are subject to tariff and non-tariff barriers in export markets such as Japan, U.S.A. and the EC. The problems of market access would have to be overcome by better product design and improved marketing strategies. As such, there is a need for training of HRD in these sectors.

10. Another related factor which may necessarily change the HRD needs of developing countries like Malaysia is the increasing debt burden which in many cases is also associated with increasing Government deficits and an unfavourable situation in the balance of payments. The external debt service ratio of the Malaysian economy which stood at approximately 3% in the early 1980s has risen to 6.5% by 1984. The current account of the balance of payment for 1984 still recorded a deficit of \$5213 million or 7.3% of GNP. The Government deficit has increased from \$3817 million in 1979 to \$8792 million in 1984. Given such huge financial burden and in the face of steady decline in the price level of primary commodities exports, the Malaysian economy has to necessarily change its export strategy from a primary commodity export-led to manufacturing export-led growth. With the changing strategy there is therefore a need to readjust the HRD requirement and it is in this process of readjustment that dialogue partners like Japan could render Malaysia in particular an ASEAN as a whole some assistance.

11. The HRD requirement of Malaysia is not only determined by exogenous variables but it is also dependent, upon domestic dynamic variables which in turn affects the agricultural and industrial strategy of the country.

12. In the industrial sector, there are a lot of dynamic factors which influence and change the HRD requirement. At the present stage of the industrial development in Malaysia the strategy has shifted from a labour-intensive import-substitution to an export-oriented manufacturing. This process has taken place since the mid seventies and is currently experiencing another structural change. The structural change in question is a shift from labour-intensive manufacturing to semi-automated and automated technology-intensive manufacturing. This shift is attributable to an increasing labour shortage phenomena that the Malaysian economy is now experiencing.

13. The industrial sector of the Malaysian economy is also experiencing a change in strategy of industrial location. In line with the New Economic Policy's objective (NEP) of eradicating poverty and non-identification of race with economic activities, the Malaysian Government has embarked upon a policy of dispersing industries away from the urban or metropolitan areas into the less developed rural areas. Incentives have been given by the Government in order to achieve the objective of this strategy and the Government is especially encouraging the growth of resource-based industries into these areas.

14. Another changed aspect of Malaysia's industrial development strategy that will influence the HRD requirement is the Government's emphasis on developing technology-intensive heavy industries such as cement plants, sponge-iron plants, a cold rolling mill, a methanol plant, an ammonia-urea plant, a pulp and paper plant, ship-building and other energy related manufacturing activities. This change of strategy is attributable to a number of factors such as the shortage of labour the

availability of cheap energy (petroleum and gas) and the Government's conviction of reducing the country's dependence in manufactured imports. The development of these industries will also bring about transfer of technology as well as forming the basis for developing an indigenous technology and in the development of skills which can be utilized in other industries.

15. Change in the agricultural development strategy of the Malaysian economy also influences the HRD requirement of the country. The change in the strategy was amplified during the mid-term review of the Fourth Malaysia Plan where from then (1984) onwards agriculture both in the estate and the small-holding sectors would be commercialised as opposed to the subsistence agriculture. In this process of commercialisation, it is envisaged that the private sector will play a bigger role than it had been in the past. The process of commercialising agriculture would also involve more cooperative farming on an estate basis as a means to further monetize the rural sector.

16. The process of commercialization of agriculture is also closely associated with the Government's policy of urbanizing the rural sector. In this process, the Government envisages the growth of urban centers in the rural and the agricultural sector as a result of consolidation process of villages. It is in these centers that future resource-based industries will be located. This process will no doubt transform the rural economy of Malaysia in the future.

17. Another feature of the changing strategy of agricultural development in Malaysia is the emphasis given to agricultural crops such as oil-palm,

cocoa, tobacco etc, which could be utilized as inputs to resource-based industries that will be located in the urban centers of the rural economy. Such a strategy is in consonance with the industrial development strategy of encouraging the development of resource-based industries that are being dispersed into the rural areas. With such a strategy, agriculture would have been fully transformed from primary-product based export-oriented agriculture to industrial-oriented commercial agriculture.

18. With the problem of labour shortage, the development of industrial-oriented commercial agriculture will necessarily have to be mechanized and possibly automated. This calls for the development of ancillary services that are needed to back up the mechanized agriculture.

19. Given the changing scenarios in the agricultural as well as the industrial sector, it is imperative that the HRD requirements of Malaysia would differ from the past. One common factor in both the sectors is the need for better management. Malaysia needs the assistance of Japan in training Malaysian managers. In the industrial sector the training required would be in the field of overall management and industrial management. It was with this strategy that in Jakarta at the last Senior Officials Meeting of APC-HRD that Malaysia stressed the need for training in the areas of management and entrepreneurship. The level of training in the field of management needed would be at all levels namely the lower-level, the middle-level and the upper-level.

20. Malaysia would welcome any assistance and training to develop entrepreneurship. This is vital in relation to policy of transforming

the rural and the agricultural sector into a more modernized, urbanized and commercialized sector. In the training and development of entrepreneurs and managers attention should be given to the need of adapting managerial and entrepreneurial skills and know-how to local conditions. As such the training format should not be confined to sending trainees to Japan alone but it should also involve the sending of Japanese trainers to existing management institutes in the ASEAN region to develop locally-adapted training programmes.

21. The changing industrial and agricultural strategy also requires intensive training in the field of science and technology. In the area of technology, Malaysia would indeed welcome training assistance from Japan in resource-based industrial technology, technology related to energy industries, petro-chemical industrial technology and technologies of exploiting maritime resources as well as computer technology. Training in technology should also take into cognizance of the need to adapt technologies to local conditions.

22. In the area of science, Malaysia would want to tap the advancement that Japan has led in the fields of marine science, oceanography, biotechnology, molecular biology and medical science. Training in science should give emphasis on R & D methods as such knowledge when multiplied could lead to local scientific breakthroughs in the future.

23. HRD needs of Malaysia for the future is not only determined by the changing industrial and agricultural strategy. Other developments such as privatization of Government activities under the Malaysian Inc., the development of the tourist industry, the Look East Policy etc. requires



the necessary HRD back-up. In effect, the developments that has been enumerated in this report would in the near future have marked impact on the economic structure of the Malaysian economy. The Malaysian economy is now undergoing a transformation process from a predominantly rural and agrarian structure into an advanced industrial structure. This transformation process into as well as the achievement of an industrially advanced economy necessitates the growing importance of the service industry. Therefore it is imperative that not in the too distant future Malaysia would require assistance of HRD in this sector such as training in the fields of civil aviation, shipping, banking, insurance, telecommunication and tourism.

24. Finally, due to the transformation of the economy from an agricultural to an industrial base, there is a need for retraining of Malaysian trainers in both the public as well as the private sector training institutions and in this direction Malaysia is mindful of the training facilities that could made available by Japan.

## 7.7. Papua New Guinea

### THE CASE OF PAPUA NEW GUINEA

by Mr. Ephraim Makis  
Institute of Applied Social  
and Economic Research,  
Mr. Theodore Varpian  
Public Services Commission

#### 1. INTRODUCTION

The views as expressed in the paper are not necessarily the official view, but they are the views of the Authors themselves. The paper will firstly present some background information on the country and its people, the economic status and the political system. It will also give an expose on the planning system and development strategies being pursued by the Government.

The paper then goes on to discuss the various aspects of Human Resource Development as they relate to Papua New Guinea.

#### 2. OVERVIEW

Papua New Guinea (PNG) is a country of just over three million people (3,010,727 according to the 1980 Census) occupying the eastern part of the largest non-continental island in the Pacific. The country lies just north of the north-eastern tip of Australia between the equator and 11 degrees south. It comprises a large mountainous mainland and some 600 smaller offshore islands, and has a total land area of 463,840 square kilometers.

## BASIC FEATURES OF PNG AND ITS SOCIETY

- PNG is a very mountainous country (difficult terrain) coupled with the fact that its outer island provinces and surrounding Atolls are separated by large expanse of sea.
- Eighty (80) per cent (subsistence farmers) of its population lives in the rural areas and only 20 per cent in the urban and peri-urban environment.
- There continues to be a heavy rural-urban drift resulting in a lot of unskilled and worse, unemployed, people/individuals in the towns.
- One can observe a clear and obvious build up in economic concentration in the urban areas. Industries establish themselves in the urban areas and thus increase that magnetic pull on the rural people.
- Slightly better social services are naturally established in the towns because of the complementary nature of the infrastructural and support services. This of course is an additional pull on the rural population.
- Rural economic activities are basically concerned in cashcropping and subsistence farming.
- The larger economic activities in the rural areas are the mining enclaves and which remain the major export revenue earners for the country: Bougainvillea Copper has been in commercial production

since April 1972 and the giant Gold and Copper Mine in the Star Mountains is expected to go into full production in 1986/87.

- Finally the Government still remains the major educator and employer in the country.

To complete the picture it will again be necessary to put the above statistics into the proper political context. Before doing so we should just like to mention that in fact the picture given above was already in the process of being established during the colonial period, under a highly centralized administrative system established and controlled from Canberra.

In an effort to bring about some cure for what was seen as ills - inequality and unjust distribution of political power and the benefits of development - or at least to apply some control against future deterioration, the new Independent Government of a newly independent Papua New Guinea decided to do what is described below.

#### POLITICAL STATUS

As an independent political entity, PNG is a fairly young country having obtained its political independence in 1975 (16 September, 1975). Since attaining independence, PNG embarked on a very ambitious but noble political task of political and administrative decentralisation - broadly speaking, to enable it to cure some of the ills mentioned above.

In embarking on this process, PNG was thinking about its development with emphasis on self-reliance, equitable distribution of wealth, political participation and therefore, the adoption of institutions and policies to further these aims. It is not surprising that these aims are reflected in the existing decentralized system of the Government that PNG now has.