

# AN INFORMATION STRATEGY FOR ECONOMIC MODERNIZATION

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## I

Since what I am offering here is a luncheon speech, I shall skip technical details and refer you instead to our book<sup>1</sup>—that, no doubt, all of you have read?—and some other recent (and ancient!) references.<sup>2,3,4,5,6</sup>

The basic question I am concerned with is, what is the microclimate of institutions that renders socioeconomic development possible? The answer from chapter 10 of our book is simple: *inter-sectoral dialogue*. The extent of such “dialogue” can be measured by the simple aggregates described as “*Inter-sectoral income transition coefficients*.”

Although the result here is almost tautological, the measurement above fails to capture “*accumulation of wealth effects, credibility*” and a system’s collapse, except through the phenomenological categorization of “uncontrollable” and “singular” income-transition matrices. One has to study the microstructure of institutions (as our book has done from many diverse points of view) so as to achieve *un-*

*derstanding* first (“observability”) and then, hopefully, *control* (“controllability”). An example of a recent application of this methodology to the “Greenhouse” issue in environmental management is given in the second reference.<sup>2</sup>

## II

Janos Jelen, the Hungarian diplomat and specialist on Angkor Wat currently serving with UNTAC at Seam Reap as Deputy Director of Civil Administration, a Founding Member of the Angkor Foundation, has characterized the civilization of Angkor as the ever-recurring realization of a “blueprint” or “prototype” embodied in the architecture, and illustrated by the stone carvings. Chou Ta-Kuan,<sup>3</sup> Chinese envoy to Angkor at the end of the 13th century,\* has captured Angkor society as a contemporary observer (incidentally, Janos Jelen is now working on a definitive modern translation of that book as a “new Chou Ta-Kuan,” working for a year with UNTAC as a diplomat in Cambodia). A modern analysis

in economic terms can be attempted based on Chou Ta-Kuan’s work, as well as the commentary on it by Janos Jelen (I must emphasize, however, that the interpretation presented below is my own, and do not wish to implicate in it either Chou Ta-Kuan or Janos Jelen!).

At the end of the 13th century it was already the “settecento” of Angkor (a *declining* period, characterized by “*delightful decadence*” as found also in sixteenth-century Venice).

Expectations of the *continuation* of the Angkor society are enshrined in stone in Angkor Wat itself (that monument took four hundred years to build). During the building of it, these expectations were *stable*.

It was a society based on wars, through these acquiring slaves, who then built the city, tilled the land and decorated the monuments, satisfying their own expectations of a “quiet life” (or death?) within the “eternal” and glorious kingdom. Chou Ta-Kuan writes that in his time a “normal” well-to-do Khmer family had about a hundred slaves.

What happened in their “settecento”? The “productivity” of war in producing new slaves must have declined, while at the same time expectations of both slaves and slave-owners must have changed as Bud-

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\*See the new revised edition of Chou Ta-Kuan’s *Customs of Cambodia*, published by the Siam Society in 1992.

dhism became dominant. Thus, the compassionate smile and sadness on the faces of the Bayon monuments, a temple that was completed in forty (rather than four hundred) years.

In modern economic terms, "labour's share of income" must have been rising—even if this can be identified only by Chou Ta-Kuan's description of sumptuous monthly festivals, organized by the Government (remember the "*panem et circenses*" of the heyday of Rome?)

Capital resources were exhausted in extravagant building; the army was *neglected* (see again Chou Ta-Kuan's description of the ill-equipped barefoot Khmer army, that could not be expected to acquire many slaves, when fighting the Thais or, perhaps, the Malays of Champa, or possibly Mongols from the North.

In my terms, a typical "downward unstable" economy ensued, with capital's share declining, increasing labour's shares and "unstable" expectations leading to civil wars and "hostile factions." Everybody blamed everybody else; the king lost his "credibility" and the "settecento" ended with the sad smiles of the Bayon looking at burning cities that were slowly reclaimed by the jungle—the ultimate victory of the environmentalists?

Now I put on my other hat: I am an environmentalist too, as shown in recent publications.<sup>2,5</sup> Can we save civilisations and the environment too—

or are we condemned to the bitter-sweet smile of the monuments of the Bayon looking down at increasing human misery?

Well, the conclusion of our book, especially the very valuable experience of China described by Gao Guopei,<sup>6</sup> would let me believe that we *can* "have our cake and eat it too." Redefined and "nurtured" expectations (through management education) *could* reconcile the "three factors" in China, and may hold out hope for reconciliation also in Cambodia. With this hopeful note, defining an "information strategy" as actively working for such reconciliation, I want to close, summarizing, however what I think is important from our book for the United Nations System.

### III

The United Nations System is embarked on an unprecedented undertaking in trying to install stable expectations through the electoral process in various countries of the world—starting first in Namibia, now in Cambodia.

What this signifies is some sort of world-wide consensus of *expectations* that might just lead to the elusive stability we all seek in a world plagued by disintegrating expectations and nationalistic strife, in the wake of collapsing command economies.

How does this lead to "upward unstable" economies again? Techni-

cally, one could design the necessary income flows. Practically, however, these will be the result of free enterprise with a world of more stable socioeconomic expectations hopefully evolving in the next millennium, involving less hostility, more respect and perhaps more "festivals" and a cleaner environment.

To give a historical perspective, it is worthwhile to remember that Egypt in ancient times had "stable expectations" and a remarkably successful civilization for a thousand years, at least, a millennium and a half before European civilization was started by the Greeks two and a half millennia ago. Similarly the Chinese under the Confucian system had a remarkably stable civilization, for a couple of millennia. Is it not possible that such "stable expectations" under *ecological constraint* could again be achieved through the initiatives of the United Nations System? I believe the above is a worthwhile objective. With that, ladies and gentlemen, I close, hoping that all these high-flying ideas will not give you indigestion, but a glimmer of *hope*. The "proof of the pudding is in the eating," however, and our test case is Cambodia.

(My thanks go to Veronique Ivanovsky for comments on an earlier version of this paper.)

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SECTION VII

# NOTES AND COMMENTS

