Book Reviews

Dholakia, Bakul H and Dholakia, Ravindra H, Economic Management and Planning—Case Studies of Selected Commonwealth Countries. London: Management and Training Services Division, Commonwealth Secretariat, 1994, pp 225, £ 7.95.

This volume is specifically addressed to practitioners—particularly economists, civil servants, central bankers or heads of sectoral development departments or corporations. The 11 cases covering eight countries grew out of a series of international programmes on Economic Planning and Management sponsored by the Commonwealth Secretariat, London, and conducted by the Indian Institute of Management during 1989-93. In most cases, data have been updated to 1990, indicating the efforts taken by the authors to capture the most recent developments in the cases studied.

Senior officials in the area of economic management and planning, with a few exceptions, still come from the ranks of generalists, with a liberal arts education. Many of them have access to excellent training facilities at the start of their careers but get few opportunities for acquiring knowledge and skills specific to their jobs as they have to handle senior management positions. Mid-career courses for management in government, so popular in the United States, are relatively uncommon in Commonwealth countries. It is in this context that this collection of case studies is significant in helping practitioners in the art of economic management to better diagnose the situation they are in, to equip themselves with a wider array of policy options, and to look for alternative ways of implementing chosen policies.

Although this volume relates mainly to macro-economic issues, sectoral concerns are also evident through the case of Toronto Harbourfront and the two cases relating to tourism in St. Kitts and Navis and Mauritius. These ‘distractions’ (considering that equally important sectors such as agriculture, industries, education, and health have not been selected) might be justified on the grounds that tourism is central to small island economies and to that extent, ought to secure the attention of central planners in the many island countries located in the Commonwealth and elsewhere. The Toronto Harbourfront case has wider implications in respect of choice of appropriate organizational forms for development, especially when the shortcomings of purely bureaucratic and departmental forms of management are becoming painfully apparent in the drive towards liberalization and privatization.

Economic Planning

The 11 cases are grouped under four parts: Economic Planning (five cases); Economic Policy Reforms (three cases); Monetary Management (two cases); and Tourism Development (two cases).

Dominica

The first case deals with the planning machinery, planning process, and their inter-linkages with the budgetary processes in the tiny Caribbean island of Dominica with a population of 79,000. Overly brief (nine pages), and mainly descriptive, this case highlights the limitations of macro-economic planning through a small economic development unit located in the Ministry of Finance and Development. Expectedly, the Project Development sub-division is found to be active in pushing sectoral departments in formulating projects for external funding and for consideration from the national budget. With total emphasis only on financial aspects, the people for whom the plans are meant seem to be overlooked.

The case brings out the many difficulties experienced by economic planners in small island countries. Even so, it is surprising that the governmental processes are so highly centralized with such low levels of public participation. Planning appears to be not much more than stringing together of sectoral projects, many of them prepared by outside consultants.

Tanzania

The second case deals with the experience of Tanzania in putting together a macro-economic framework under which national plans can be formulated. The Tanzanian reforms seemed to have arisen from a situation where planning meant only a compilation of projects for government funding as in Dominica. Such project-based approach to planning overlooks linkages among projects and their impact on overall national goals. This also seems to have led to distortions on account of preferences of external donors, not always coinciding with national priorities.

The case describes the functions and the organizational aspects of the Planning Commission, set up in 1989. The case does not indicate whether the
Deputy Secretaries and the chiefs of various divisions were generalists or specialists and whether they had any exposure to the working of the sectoral ministries and at regional and district levels. How exactly are regional and sub-regional plans fitted into the overall plan is not elaborated. In India, instruments such as Central Sector Schemes, Centrally Sponsored Schemes, and an elaborate system of matching grants are used to influence state planners towards subserving national goals. The role played by Central Ministries, especially given the position of the Planning Commission “which does not enjoy any legal power to sanction against any department or ministry” (p 28), is not touched upon. Evidence of what was planned and what was actually accomplished, both in financial and physical terms, would have shed some light on this uneasy relationship between economic planners and subject matter specialists in sectoral ministries.

The case describes well the evolution of input-output model as an important planning tool. The case recognizes its limitations at regional levels of planning.

Malaysia

Different stakeholders may view the planning process from varying standpoints. The experts may look for the characteristics of the models employed and the level of sophistication of techniques employed. The sectoral functionaries may look for ways to maximize inflow into their sectoral programmes. The people may be looking for a mechanism to translate their local needs in concrete action. The inter-play of economic modeling, sectoral planning, and popular participation through decentralization are the issues highlighted in the third case relating to Malaysia, far in advance of Tanzania in terms of level of sophistication of the planning process as well as the rate of growth.

The case traces the evolution of economic modeling, ending with the model in use, based on 259 endogenous variables and 31 exogenous variables, with provisions for sectoral disaggregation; but no details of the model, its adequacy or the extent of its applications are indicated. The organizational set-up of the planning machinery is described at some length. For the first time, in the volume, planning units in sectoral ministries make their appearance (p 51) but the exact processes involved in their interaction with national economic planning units are not discussed. The relations between the state economic planning unit and the national agencies are not touched upon. Considering the elaborate “Annual Plan Exercises” in India, and the need for complex allocation formulae such as the Gadgil Formula and its many variants, one would have looked at the national planning office (EPU) in Malaysia as an arena where some of the federal issues might have been brought up for resolution.

The gap between aspirations articulated in the plan and the actual performance is usually a good index of the varying capabilities and bargaining strengths of sectoral ministries. The data on actuals as percentage of targets (alas, only in financial terms) show sectors such as industry consistently exceeding the allocations while social sectors and health performing below average. The case rightly concludes that elegant models are not enough to guarantee the ideal allocations nor help in efficient implementation of plans.

Kenya

Those familiar with efforts made in India “to provide an employment orientation to the plan” would find the fourth case relating to Kenya especially of interest. Amongst the best written cases in this volume, this case also contains material on decentralization of planning process and the concept of rolling plan—both tried with varying degree of success at different times in this country. Considering the achievements in terms of various social indicators such as life expectancy, literacy, and infant mortality rates, the case of Kenya is likely to be of interest to a wider audience.

The case describes at length the planning process in Kenya (pp 62-66) at various levels and over different time frames. The process of formulating the annual and Five Year Plan is described in detail as also the role of external funding agencies. A feature of Kenyan Planning is the extent of decentralization, especially at the district level. Popular participation, including through contributions in cash, labour, and materials in the Harambe Movement, is described well. The case also brings out the issues in decentralized planning—shortcoming in the form of statistical data, lack of trained personnel, inadequate involvement of the people at the stage of plan formulation at the district level, and distortions as a result of political interference.

The case also describes at length the Sixth Five Year Plan (1989-93) of Kenya and the areas in which this plan has improved upon the previous plans.

Of special interest is the chart on the Annual Budget Cycle (p 65) and the role of districts, ministries, and the treasury. A description of what exactly happens when district planners and sectoral planners interact with central planners would have helped to enhance the understanding of formal mechanisms described in the text.
Toronto Harbourfront

The case of Toronto Harbourfront, rather inexplicably clubbed under “Economic Planning” is a case of urban management at city level. The authors argue that discussions on decentralization of planning usually concentrate on rural areas and hence the inclusion of a project on urban development.

Even so, this case, with a lot of descriptive material on Toronto and the Harbourfront Corporation (HC), is weak on how the HC relates to city administration and the provincial planning authorities. This case seems likely to be of interest to city managers and especially those in charge of a development project rather than to economic planners. The advanced level of development in Canada is reflected in the nature of issues raised: the lack of nexus between the city administration; the conflict between the needs of private developers and public use of land. This case seems to relate to implementation rather than planning; and, more particularly, to the choice of a corporate form of organization for achieving the stated goals.

Economic Policy Reforms

Mauritius

The second part of Economic Policy Reforms contains two cases. The first of these relates to Mauritius, especially, the period 1983 to 1990, concentrating as it does on the structural adjustment programme involving the World Bank-IMF prescriptions such as: adoption of appropriate exchange rate policies, restricting fiscal deficit, liberalizing trade and payments, restricting consumer subsidies, and wage restraints. In ten years, by June 1991, Mauritius seems to have achieved notable success along a wide range of economic indicators. How this was achieved is described at length—in terms of changes in industrial, fiscal, trade, and monetary policies. The contrast between pre-1982 and post-1982 periods and the details of instruments used and their impact have been brought out succinctly.

There is an excellent discussion on the Export Processing Zone in Mauritius (MEPZ)—a sort of a case within a case. The wealth of supporting data marshalled makes one wonder why MEPZ could not have been presented separately as a case by itself.

Though amongst the longest of the cases—31 papers—this is possibly the best case in the book, partly for the reason that both the authors, economists by discipline, are most at home with various facets of macro-economic analysis upon which this case is built.

Sri Lanka

The second case relating to Economic Policy Reforms relates to Sri Lanka from November 1977 when the UNP came to power. This analysis is divided into three periods: 1978 to 1982 (initial period of liberalization); 1982 to 1988, and post-1988 period (the second phase of liberalization). Reforms in trade policy and export promotion are dealt with in depth, with texts of policies and as many as 17 exhibits, bringing out key statistics in various sectors, and particularly in foreign trade.

Most of the case is straightforward economic analysis—the description of organizational aspects of Export Development Board being the welcome exception.

Monetary Management

This section contains two cases—one on Tanzania (co-authored by Sunil N Dalal) and the second on East Caribbean Central Bank. Both these are competently described with due emphasis on events, instruments, institutions, and key indicators. Current problems and options available are also discussed at length.

Tourism Development

Given the central place of tourism in the economies of small island nations, the inclusion of these two cases relating to a sector of economy (rather than the economy as a whole) seems justified. The linkages of tourism with various sectors of the economy appear significant in the two cases chosen for inclusion.

Both the cases contain details of incentives offered by governments for promoting tourism, going far beyond encouraging construction of suitable accommodation for foreign tourists. Both cases are rich in supportive material that help to trace the impact of tourism on other aspects of economy.

Issues in tourism development such as competition from nearby islands, large vs. small hotels, labour shortages and limits to growth imposed by topography and ecological considerations are well brought out. The concept of ‘tourist carrying capacity’ has been dealt with in the context of possible environmental degradation that seems to inevitably follow the unregulated influx of tourists. This should serve as a useful reminder to over-zealous proponents of ‘growth at any cost.’

Useful Volume

All in all, this book is a useful collection of cases in economic management. The cases on monetary management stand out for their comprehensive coverage and depth of analysis. All cases are supported by useful data, texts of policies, and organization charts.
Both the authors are economists by discipline; this is apparent in the strength of economic analysis in the cases. But an understanding of planning and management of sectoral programmes such as tourism and waterfront development also involves interplay of other disciplines such as political science and public administration to name only a few. For example, the characterization of budgeting as an outcome of bargaining process in the several works of Aaron Wildavsky is an interesting line of thinking that seeks to explain many aspects of actual practice.

So would the lessons of several studies on implementation of social programmes in the United States, particularly following the Lyndon Johnson years when several federal programmes were launched as a part of War on Poverty. Insights of this kind might partly help to explain why many developing countries continue to flounder in implementing seemingly well articulated policies and strategies contained in elegant plan documents and budget speeches.

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Gill, Khem Singh, A Growing Agricultural Economy: Technological Changes, Constraints and Sustainability. New Delhi: Oxford & IBH, 1993, pp 319.

This book basically examines the major contributing factors for the unique success story of agricultural transformation in Punjab and the constraints for sustained agricultural growth in the state. The success story emanates from the technological innovation and the transfer of knowledge from lab to land and in this process, the contributions of various agro-technological, socio-economic, institutional, and administrative factors have been carefully studied. Broadly, the study covers the performance in the crop and allied sectors, intensification in input use, the emergence of a strong capital base, evolution of new agricultural technology, and the constraining factors for sustained growth of agriculture and allied sectors in the state. In all these spheres, how has Punjab fared as compared to the rest of the country and within Punjab and what has been the performance of certain selected districts?

Contents

The study begins with a brief account of the agro-climatic features, land use and cropping pattern, and the sectoral contributions to the Punjab economy. It is followed by a brief description of the emergence of diversified agriculture, intensity of land use, development of irrigation and other agricultural infrastructure, and the enlargement of the capital base in the state. Due emphasis is given on depicting the regional diversity. The section dealing with the growth and dynamics of crop production tries to cover all major crops in the state covering a span of about three decades. Both qualitative and quantitative changes that have taken place with respect to major crops are duly considered.

Issues Discussed

In Punjab, growth in the use of various agricultural inputs (both capital and material inputs) has been well above the all-India level. The state has also acquired a strong capital base to facilitate the adoption of many modern technology made available to the farming system. Though the adoption of HYVs of major crops is virtually complete, yet there is scope to adopt improved varieties and improvement in the farming practices under certain crops. The allied sector, viz., animal husbandry and poultry farming, has also shown both qualitative and quantitative improvement. This is mainly due to the fact that the farmers recognized the limit of crop production and hence diversified farming was sought as an alternative for improved income. The book also makes an attempt to discuss the food supply and nutrition status in the state and the state's contribution to the national food reserves.

An indepth analysis of the evolution of technological change in the state studied here assumes special significance as it would be useful to other areas where the technological process is underway. The study outlines the evolution of improvement in crop farming system, land improvement measures, farm power supply, development of institutional infrastructure and the continued support from the agricultural university and the government administrative and the extension system and how the institutional and socio-economic changes helped the agricultural development process to maintain the tempo.

An attempt is made to present the energy scenario in the state by estimating the energy availability from various sources for different purposes, besides highlighting various advancements in the field of energy. The study also suggests important energy resource options and the kind of energy policy that should be pursued for meeting the future energy needs.

The sustainability of high productive agriculture is not an easy task as new problems keep cropping up. For example, the soil in Punjab is under severe stress due to micro-nutrient deficiencies in large areas and the depletion of organic manures. Problems such as pests,
weeds, etc. are on the rise and the use of pesticides on a large scale would lead to environmental imbalances. Among major future strategies, therefore, bridging the yield gap improvement in the production of pulses, oilseeds, and sugarcane, bio-mass and crop residue utilization, and developing agro-forestry and the allied sectors assume critical importance.

Overall Comments

The study, no doubt, is very useful to researchers and academicians. But the objectives of the study should have been spelt out more specifically and the study should have been organized accordingly.

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Reddy, Dwarkanath, Can God Improve My Balance Sheet? Invoking the Inner Potential. Madras: East-West Press, 1994, pp 127, Rs 90.

The West may have its psychiatrists and stress management experts, but in India, businessmen have always had a propensity to turn to religion to counter the high pressures of their daily lives. Industrialists have traditionally been the source of financial support for numerous Indian spiritual leaders, who in turn have provided guidance and solace in times of trouble. Indeed, a whole new set of erudite spiritual leaders have emerged over the years, who speak the language of science, economics, and politics, catering to the needs of a new generation of followers and fulfilling an important social need.

Meanwhile, India's management experts and consultants have begun talking of finding a home grown management idiom as a means of communicating with corporate clients. In their quest for the ideal mantra, the new management gurus are increasingly turning to the language of the Hindu scriptures. Terms like guna and yoga karman kaushalam are being used at academic seminars, the reasoning being that if Japan and Korea can evolve idioms based on their own cultural experience and even export these to the West, so should we.

In this context, this book by a successful Indian industrialist is significant. The author has attempted to distill some of the insights he has gained in his long career as an executive and as a follower of Ramana Maharishi.

The author, however, does not attempt to contribute to Indian management theory by presenting a formal, structured idiom based on his knowledge of Hindu philosophy. Instead, he has presented his ideas in the form of a dialectical discourse.

Asking the question that forms the title of the book is a cynical and egoistic businessman and the author attempts to answer in the affirmative by showing the high-strung executive how he can improve himself and hence the performance of his company by using the precepts of the gyana yoga philosophy. Of course, this term is not used in the text since it is assumed that it will be more than the simple executive can handle. The book deliberately eschews the formal language of religion, psychology and management, assuming that such jargon will confuse his not-too-well-read reader, but in doing so, it tends to become rather simplistic.

At the outset, the author lays down the fundamental postulate that the desire for happiness is a natural part of the human psyche and new desires always spring up to take the place of those that are satisfied. A man must recognize this and know his desires, which are the result of his past experience. Once he has understood himself, he can go about his objective in a calm manner. Meditation here is defined not as an inward looking exercise aimed at banishing desire but as "mobilizing one's mental energy to achieve one's objective."

Grief, anger, hurt are all the result of being thwarted in one's quest for happiness and the example used here is the businessman losing out on an important contract to a competitor. At such times, it may be a relief to blame fate or talk of luck, but such concepts do not find a place in the rational gyana yoga system of thought, though the philosophy does place a limit on individual will and man's power to control events that affect him. The disappointed businessman needs to accept that his knowledge is incomplete, that he "deserved" what he received and go on from there.

In the dialectic tradition, the author uses numerous metaphors to illustrate his ideas. The moving train denotes universal consciousness and the movement of the people inside represents individual will. The parked car with its engine running symbolizes fruitless worry that uses up energy without accomplishing anything. As a masters in chemical engineering from an American university, the author is drawn to scientific symbols as well, such as the vector diagram representing the conflicting pulls of the "higher" and "lower" self.

However, such metaphors tend to sound inane at best and the book would have been much better if the author had drawn upon his own experience as an industrialist to illustrate his points for the lay reader. Chief executives in the west have proved that such anecdotal narratives can produce instant bestsellers. This is because a personal touch always gives a narrative warmth and sincerity and hence makes for better communication. Despite the fact that it is targeted at a
lay audience, the major failing of the book under review is that it does not communicate on a personal adult-to-adult level. Except for a brief paragraph narrating the story of his struggle to give up smoking (as an example of how one can control one’s mind), the author generally avoids getting personal, preferring to remain loftily aloof from the imaginary fellow businessman he is lecturing down to.

Which is a pity, because as one of the few Indian businessmen-authors, Reddy was in a unique position to provide practical insights. Where he talks of how ego can get in the way of labour-management negotiations, the book could have been enriched by examples from the Nutrine factory of which he is the Head. Similarly, in the chapter on leadership, a few personal anecdotes might have been interesting. As it is, this book will probably find a place on an already crowded shelf of religious-philosophical literature. For management theorists, it might at best provide an insight into the mind of a successful Hindu entrepreneur.

Meanwhile, the author has hinted that another book is in the offing in the near future. One hopes that the next effort will give some genuine insights into the trials and travails of being an Indian entrepreneur, even as it further instructs its readers on how to overcome them.

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Hage, Jerald and Powers, H Charles, Post-industrial Lives: Roles and Relationships in the 21st Century. New Delhi: Sage, 1992, pp 248, hb $ 42, pb $ 19.95.

Cohen, March, and Olsen (1972) present a view of organizations as “organized anarchies” which are “collections of choices looking for problems, issues and feelings looking for decision situations, solutions looking for issues to which they might be an answer, and decision makers looking for work.” In a similar vein, society is also an “organized anarchy” or more aptly, a collection of umpteen such anarchies. The difference is that while organizations are rich of solutions awaiting the right problems to seek them out, society is rich of changing patterns of actors and action relationships awaiting the right sociologist minds to feel, make sense, and conceptualize them in suitable frameworks.

This process is also a function of time and context. Because, great ideas are products of time. And, great ideas are also products of great minds. Great sociologists be it Weber, Marx, Durkheim or Parsons were there at the right time when the society or the macro context underwent radical shifts and not just mere changes. They were able to delve deep into the unknown depths of social currents, stay still momentarily to imprint the flashing array of social scenario into neat theoretical canvas, and then move with the current not being overpowered or overtaken by it. Then again, they were able to stay still to consolidate their theoretical pursuits and continue as an integral part of this cycle of sensing the social currents and trying to put them in systematic frameworks enabling proper sense making of social phenomena.

Today, we are again in the midst of chaotic shifts, not one but many, which are spearheaded by knowledge generation. Thus, the time is apt for great sociological contributions. A genuine effort has been made in this direction by Jerald Hage and Charles Powers in the book under review.

Organization of the Book

The book follows a neat pattern. The introduction vividly states the basic approach the authors adopt in the pages to follow, i.e., “analyse how knowledge and technology are having a profound impact on the nature of face-to-face social relationships and on the character of the social self” (p 3). They are successful in preserving this focus throughout the book. They have been able to capture the “frontiers” of social changes because their analysis revolves around the impact which cutting edge technologies have on social relationships. These are technologies which are at the frontiers of development and where the probability of frequent discontinuities occurring are high, like in information technology.

In the first chapter, they build the background case for their work by discussing the failures occurring in modern society and then introducing the single most important variable forcing shocking changes: knowledge growth. However, they note that the “shock” which was predicted earlier has really not happened because people have adapted faster to the changes. The second chapter describes the changes which the above has made in role relationships. They portray this on two dimensions: rationalization and complexification. There is a deep structural change in the occupational pattern of people towards customized problem solving which demands multiple skills and relational feeling among participants.

Who are the people who are capable of doing these well? The authors answer this in Chapter 3 as those people who possess creative minds and complex selves. This means that, the self of the individual is continuously in the midst of uncertainty, diverse themes influence his/her thought processes, he/she has to interact in multiple roles simultaneously (i.e. one may be required
to develop more than one identity so that a problem can be approached from diverse perspectives), and he/she should possess the capability to live with differences and contractions, and exhibit balance of mind and perspective.

The next chapter (Chapter 4) is profound and timely. The authors are to be appreciated for having brought out the role of emotions in life in a separate chapter altogether. In the process of climbing the ladders of achievements and pleasures provided by the modern world, man has lost his self under the controls and norms which went explicitly or unconsciously along with them. Over time, he learned to suppress his emotions and became a living physical entity, but non-living emotional entity. Was not the stresses of the modern era which ruined many a lives and relationships a creation of emotional lock-ups? The post-industrial era which demands creativity, therefore, should not only tolerate emotion explicitly but also encourage its expression. To aggravate the situation further is the additional burden of post-industrial role stress. The best solution to cope with these is to allow natural venting of emotions. Thus, the authors aptly redefine Descartes' 'I think, therefore I am as I feel, therefore I am.'

In Chapter 5, the authors take up the task of redefining the role relationships and concept of self to achieve congruence with the changing demands. This redefinition task has to be purposefully taken up by the individuals themselves. As the authors observe, "creativity in the reconstruction of social roles cannot be taken for granted. We would note, for example, that the most striking observation to be made about the husband-wife and father-mother roles in recent decades is that so many people have chosen to abandon relationships in trouble rather than redesign them (p 113, italics added for emphasis). They suggest some ways of redefining the roles and self of individuals. In Chapter 6, the authors compare and contrast the contributions of Merton and Nadel to place role redefinitions in a tighter structural framework. The former's approach is oriented from the experience of the individual towards the role sets in which he/she is involved (micro, individual experience oriented), while the latter's approach is from the societal level to the level of role sets (macro, social context oriented). Chapter 7 explores the "redefinition" and "reconfiguration" of the society, itself as a result of the knowledge changes. One theme which runs throughout the book and which gets emphasized in this chapter is that the number of roles which an individual in a social position has to engage in (termed as "role-set") is increasing but the number of persons with whom the individual comes in contact in role functioning (termed as "person-set") is reducing. Hence, the necessity to develop multiple identities as described earlier. The book ends with an epilogue discussing the transformations that are taking place in roles, interpersonal interactions, social networks, and sociological theory because of the knowledge growth.

**Overall Comments**

The interesting contribution of this book is not just confined to capturing the role changes that a knowledge based society characterizing post-industrialism demands, but that it is able to bring about a fusion of micro individual and the macro societal role relationships. On the one side, society is fast changing from a routine based, certainty rooted, mechanized form (where knowledge is implanted in machines) to a non-routine, ambiguous, and organic form where flexibility and swift sense making of the situation and environment to be closely followed up with innovative responses (implanting knowledge in roles) are becoming the norm. This leads organizations to engage in reorganization like lessening the hierarchy, forming flexible workteams and small profit centres, networking, etc., where the organization members are to move away from the narrow domains of single task specialization to multiple competencies and engage in multiple roles. In this process of assuming multiple roles, the individual role holders encounter an increase in the role-sets and a decrease in the person-sets. On the individual front, the individual also finds social institutions collapsing beginning with basic family relations. He/she is forced to take multiple roles, redefine existing roles in tune with the needs of the changing needs, and adapt in one's personal life. Thus, a male who in the modern era was a "good" father who maintained the formal, authoritative, and decision-making role finds himself under pressure to re-define his role as a friend, guide, companion, and consultative decision-maker amongst other things. The essence of all these is that there is a shift from doing with understanding and expertise to doing with feeling and involvement.

This book, due to its rigour, is essentially academic oriented. But the writing style is such that it can also make interesting and useful reading for the serious management practitioner interested in gaining a grasp of the role alterations that are taking place in his own work domain, and comprehend its implications. The contribution of this work to sociological theory is in making predictions (and hence a future research agenda) about the social changes which can come up with the transformation to a knowledge based society, and linking...
these changes to the existing theoretical base by looking at the role relationships in the immediate micro, and the larger macro societal contexts.

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Hamel, Gary and Prahalad, C K, Competing for the Future: Break-through Strategies for Seizing Control of Your Industry and Creating the Markets of Tomorrow. Boston: HBS Press, 1994, pp 327, $24.95.

As doctoral students in leading American business schools during the 1970s, the authors of this book witnessed the surprising erosion in the standings of large, seemingly well endowed Western companies at the hands of smaller challengers from Japan. Prevailing theories of corporate strategy did not appear to have anything to either explain this turn of events or to help correct it. In addition, Hamel and Prahalad observed that all through the 1980s when management research was in ferment due to the Japanese management phenomenon, strategy theory still lagged in reflecting the new ground realities. Hence, the impetus for this work arose from the felt need to bridge the perceived gap between strategy theory and international management practice.

In an increasingly Darwinian corporate world, their proposal has a distinctly Disney origin. It is “to help managers imagine the future and, having imagined it, create it.” We are even told that Disney’s word for this sort of thing is “imagineering.” As an important corollary, the authors add: “We want to help them capture the riches the future holds in store for those who get there first.” Thus, the two basic ideas stressed heavily in the book are: a) the need to be future oriented, and, b) the need to be first. We can, therefore, summarize the book as HP=F², where the letters stand for the pair’s initials and those of the two ideas they emphasize. The authors propose that the relative standings among companies can be explained (if not predicted) over time by differences in “strategic intent,” “industry foresight,” “strategic architecture,” “core competence,” “expeditionary marketing,” and “global pre-emption” including through coalitions. Space-wise, the book is fairly evenly divided between material on the exercise of imagination and its translation into reality in the corporate setting.

These ideas are closely linked with the methodology the authors have adopted. Outwardly eschewing conventional management research methodologies, including the case method, the authors ostensibly rely on what they call “action research.” This consists primarily of using access provided by confidential consulting relationships with Western firms (often the victims of Japanese competition) to develop more generally applicable management concepts. Action research also seems to subsume considerable assimilation of corporate, trade, and academic material presumably to the extent it has proved efficacious in the authors’ consulting and teaching.

Beginning in 1985 and especially since 1989, the duo have published their “findings” in Harvard Business Review (HBR) which is geared primarily to the needs of practitioners rather than academics. As a result of such a publication strategy, the authors’ ideas such as “strategic intent” and “core competence” are threatening to become almost as common place as “stars,” “cash cows,” and “dogs” were at one time. The book under review essentially represents an expansion, elaboration, refinement (or correction in places), and integration of the materials previously published in this way as well as the newer idea of “industrial foresight” which has been excerpted/adapted in HBR and Fortune to coincide with the book’s release. As a result, a strong “demand pull” may have been systematically created for the ideas of the book from practitioners around the world. This, then, sets the stage for the book’s academic implications.

To academics, their ideas are stated to be simply an “enlargement” (rather than revision) of strategy theory. But the connection between old and new is likely to be missed if one runs through the table of contents. A straight list of the book’s 12 chapters, couched in the new expressions coined by the authors, it appears more cryptic than it needs to be, exacerbated by some overlaps in the meaning of the titles of half the chapters. The clue to the link with prevailing theory is provided on p 24. The four-part structure of the book’s contents presented there broadly conforms to the 6-point strategy paradigm that emerged from the landmark conclave in 1977 at the University of Pittsburgh’s business school.

The formulation of the authors’ “new strategy paradigm” (p 24) takes the functional form of “Not Only (prevailing ideas) But Also (their own ideas).” Thirteen such pairings have been presented and they have been grouped, as already observed, under four categories. Thus, on paper, the claim of merely enlarging strategy theory seems to be supported. However, the authors actually discuss the items on the right hand side of the ledger while using the left side essentially as a “straw man.” Thus, their argument does match the prevailing strategy paradigm of formulation and implementation at the most aggregate level. But, at the same time, it appears radically different in specifics due primarily to
the new language system employed. Significantly, however, Hamel and Prahalad also seem to be attempting to expand the range of strategic management from the sole purview of the top echelons of the firm to one which encompasses the entire organization although this is more by implication than by open affirmation.

Given their belief that the book represents an "agenda for action" for "industrial revolutionaries," the authors do not specifically suggest how the book should be used by practitioners (or the academics who may have to explain its contents to them). The meanings used by the authors for "future" and "first" are somewhat malleable; so an inventory of these may prove to be an interesting—and necessary—first step for any reader. The book's ideas presumably involve action over at least a 20-year period, all the way from "strategic intent" to "global pre-emption." For this, inspiration has to be sought from purely cross-sectional evidence regarding the efficacy of each of the many stages of the process. Longitudinal evidence is either invisible or non-existent. Hence, the book does seem to necessitate some collective rumination, perhaps with the aid of interested academics, before managers embark on a career-long crusade to "transform industries and create new markets."

A subtle change of gears at about the halfway mark is another notable feature of the book. Examples of "foresight" which appear at the front end of the volume are drawn from the experience of relatively recent challengers on the corporate scene (especially in the electronics industry which forms the authors' main data base). These are mostly American firms who generally excel in product development in computers, telecommunications and semiconductors (as well as in the other fields covered such as genetics, pharmaceuticals and fine chemicals). But the second half of the book presents material about the experience of the older (Japanese) challengers whose exploits at "global pre-emption" presumably inspired the authors' research for this book in the first place. Thus, a good bit of "imagination" may be required on the readers' part not only to project what current challengers are likely to experience in future but also to "fill in the gaps" regarding the older challengers' complete strategy.

The book suffers from some surprising defects in the editorial process. There are spelling mistakes of ordinary words as in "hair brained," "dilletante," "hari-kari," "triathlete," etc. (sic). Besides, the names of Mahatma Gandhi, Robert Burgelman, Louise Kehoe, Ikujiro Nonaka, the Bertelsmann Corp. etc. have been inex-cusably mis-spelt. Along with the expected penchant for choice phrases, one finds execrable expressions such as "strategicness," "strategydom," "de-risk," "visceralyze," and "devoluted." To top it off, the book's computer graphics, with their surfeit of small print on dark grey backgrounds, are abominable. Strangely enough, the customary magnanimity on the part of the authors to shoulder blame for any residual problems is conspicuously absent in this publication.

For all its faults, this book is likely to be quite influential due to the buildup given to it. Hence, a critical review was believed to be a must. The book's redeeming feature probably lies in applying a novel Disney touch in an acutely Darwinian business world. It may be no accident that the book opens by enquiring about the "balance of hope and anxiety" in organizations (and individuals) and closes by pointedly asking, "Are you having fun?" In just these two extreme pages lies the book's ultimate message. To me, at least, the idea at the core of this particular juxtaposition is one of fortitude (but not euphoria) found in the old adage, "while there's life, there's hope." When all is said and done, an appeal such as this, by executives and academics alike, to the indomitable human spirit can never go wrong in the "interesting times" in which we all live.

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