

As I have just said, the solid large core of Indian tradition is experimentable, observable, verifiable and repeatable by anyone anywhere who has the will to do so. The scientist does all this in a laboratory outside his body. The Indian seeker of truth does the same within himself—his soul is his laboratory. There is absolutely no other difference. The truths now being discovered in the field of sub-atomic physics had been proved millenia ago by the Indian 'experimenters' through direct apprehension. Some of the best of Western scientists like Einstein, Oppenheimer, Capra, Dirac and others have been delighted to find their results corroborated by what Eastern mystics had proved to the hilt before any of the Western civilisations were even born. Thus, there is nothing to prop up Sri Sekhar's argument that intuitive insight is a dangerous camouflage for class oppression. For, the most vital condition before anyone can receive intuitive insight is absolute purity of the mind — from jealousy, anger, personal ambition, lust for money or fame and the like. Such people — if there are any now — can never be oppressors by definition. They are the epitomes of motiveless compassion. System can hardly change an individual. Individual can change a system.

(4) It is indeed sad that Sri Sekhar considers the concepts of Sattwa, rajas and tamas Sekhar as curiously connected with caste and bigoted philosophy, intended to preserve the mystique of disguised communication by the 'seers'. Any method of analysis must have a system of classification. And classification implies system labels and slots. But if there is a balanced, all round synthetic view to be sought, it is found nowhere in such measure as in Indian thought about man. Moreover, in my rejoinder I have repeatedly used the

word 'predominantly' before using the conceptual trinity to make my point. Finally, I remember Sri Sekhar having upheld the *Gita* as one source book of acceptable Indian wisdom in his paper. I would wish humbly to draw his attention to Chapter 14, verses 5 to 27, in that volume where the scientific theory of the three gunas has been fully expounded.

To end, therefore, it is quite evident that our basic readings and perspectives are very much at divergence — hopefully for the time being. Some time and effort are called for to resist the avalanche of certain types of western literature, and to dive into Indian literature of the relevant variety with reverence. Only then may we have some common ground to exchange our thoughts.

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(Note : Further Correspondence on this subject is closed — Editor).

**Principles and Practice of Public Enterprise Management :** Laxmi Narain, New Delhi, S. Chand, 1980 pp. 515, Rs. 18.00

Dr. Narain's work on public enterprise management is a comprehensive book of immense labour and merit. Its coverage of the Indian scene — high-lighted against international background (although of western developed economies mainly) — is ample, with copious references to primary data sources. The hardcover publication at a price of Rs. 18.00 only promises a large 'consumer surplus'. Our observations below on certain matters of detail need, therefore, to be visualised against such a backdrop.

One of the reasons offered by the author as to why public enterprise (PE) had to appear on the stage is because financially and technologically the private sector is weak (p. 1). This point of view may be debatable because historically all financial and technological pioneering and risktaking has always been within the private sector. But the lack of inclination for long gestation, low return, basic industry projects is not the same as financial or technological poverty. The very fact of an institutionalised mixed economy is in a way a self-fulfilling phenomenon. Thus, most of the commanding heights of industry which are today in the public sector in India, are in the hands of private enterprise in the U S A. Do not low return, long gestation and similar factors operate in that country too for such industries ?

However, having once admitted the case for P.E.'s in India from various points of view, it is possible then to accept the author's contention that the so-called inefficiency of P E's should be judged in the light of the costs to the nation of not having them, or allowing private enterprise to take them up (p.2). In other words, instead of the 'before-after' approach to the evaluation of the worth of the public sector, a more reasonable framework would be the 'with-without' approach. What is loss to one sector, could be the gain to the other. Compartmentalised financial evaluation of the two sectors is indeed a spurious yardstick to go by in a mixed economy. Of course, the operational implications of standing upto this refutation at the enterprise-level constitute a mind-boggling task.

In the author's view there is too high and too unrealistic a level of public accountability and limelighting of the affairs of P.E. in India

(p. 10). He says, 'If we want P. E's to run as efficient and lively business units, we should not question the integrity and sense of judgment of the whole set of managers'.. (p. 268). This issue is a veritable pandora's box. We recently heard a story (and it is not a 'story') where a junior engineer had taken a group of workers in a large public sector firm in central India to task for filling up overtime forms by deliberately working slow during normal hours, only to be told in his face that many top level executives of that firm ran small business concerns, in the names of their own wives, supplying substandard components to the P E ! Thus, although Laxmi Narain is right from a particular standpoint that the COPU reports of the 6th Lok Sabha 'are a class by themselves' (p. 265), should we continue to gloss over the lack of uprightness in public life in India — which is going down-hill all the time ? Do we have Reginald Maudslings in Indian public life ? In the light of the instance quoted above can we generalise as does the author, that there is a higher level of ethical content and social responsibility in the P.E's ? On what common or comparative scales do we evaluate the ethical content of winning and dining a prospective customer for the sake of procuring business for the P.E vis-a-vis running a clandestine small business of one's own to sell parts and components to the same P.E ? Probably it is the latter which is utterly selfish and deserves to be fully probed and thoroughly exposed. And such cases are by no means few and far between. If the Santhanam Committee Report and subsequent trends indicate anything, an artificially accelerated rate of efforts for economic development has decelerated our moral development. 6th Lok Sabha COPU Reports

merely reveal the darker side of our moral face. Such shock therapy has some merit. For, do we not say that P. E's have to be models for private sector to follow? Modelling is no easy task.

It was pleasing to note in passing the author's sense of historical and intellectual honesty in acknowledging the pioneering role of Subhas Chandra Bose in emphasising the need for national economic planning in India as early as in 1937 (p. 19). This trait has almost vanished from most writings by us.

Laxmi Narain says that business is a social institution (p. 27). But then what are universities, hospitals, clubs and the like. Is it the intention that business enterprises have to outherod the herods in the field of social institutions? Further on he adds that powerful economic institutions should change their approach and attitudes to support the basic policies and approaches of the State (p. 27). Does this mean that P.E's have now to become political institutions? Has politics been a model of clear, long term, enduring and altruistic perspectives during the past thirty five years? For, can the State and politics be dissociated? After all, does not the State apparatus consist of the very same men and women which today's society produces? What is the basis then for granting to such a State even marginally superior wisdom and vision? It is, therefore, a moot point as to whether a business enterprise should not try to be a faithful and fair business institution, rather than trying like a jackdaw to don the plumage of a peacock (i. e., a social institution), or sport the thorns of a porcupine (i. e., a political institution)?

On p. 51 the author mentions that industry cannot be left to the private sector because

entrepreneurship and professional management are lacking there. Does this carry the implication that government can fill up the entrepreneurial gap? There is a need to be clear about what entrepreneurship really means. After all the government is as such an abstract entity. It needs men to launch enterprises. Are government bureaucrats, or hired technocrats ipso-facto entrepreneurs then? Is entrepreneurship really not a deeply personal psychological orientation of an individual? Writing a book like the present volume is also entrepreneurship. Establishing a business venture is of course entrepreneurship. Yet, are the two exchangeable? Yes, the government can provide money and related clearances. But do they in any way ensure entrepreneurial inspiration also? In p. 73 the author has bemoaned the perpetual limitation of scarce managerial man-power in the P.E's. How then do we reconcile this with his earlier observation justifying the entry of P.E's because private sector lacks professional management? Where do professional managers blossom forth from for P.E's?

Laxmi Narain has correctly highlighted the refusal of the GOI to lay down clearly the financial objectives of P. E's (pp. 66-69). Who knows such clear enunciation may in itself prove an obstacle to the flexible adaptation of the approaches of P. E's to match State policies — a desideratum mentioned earlier in the book!

The author has covered exhaustively the various modes of organising P.E's in India — from statutory public corporations, government companies, holding companies to multi-sector (i. e., conglomerate) corporations (pp. 102-126). After his survey he avers that there is hardly any correlation visible so

far between the legal form of the P.E and its performance efficiency. He has also examined the idea of a 'Ministry of Public Enterprise' which should regulate and monitor the commercial operations of all P.E's. The concerned ministry for types of industrial enterprises should look after the social and other non-economic responsibilities of these enterprises (p. 126). This appears somewhat topsyturvy. The reversal of portfolios between the P.E ministry and other concerned industry-specific ministries appears to be more sensible. However, we agree with the author's view that managing large industrial systems is not yet in our grain. It will be a long haul before we can do so. And we have to seek the nourishment to support large systems in the enduring ethos of our own culture. Unfortunately, we have not even woken up to the need for such an indigenous effort. Until then small should continue to be manageable — if not beautiful.

The topic of P.E Boards is also dealt with quite amply. Boards are a better option than single administrators for individual enterprises (p. 138). As regards the choice between 'functional' and 'policy' Boards, the author favours the latter for smaller and less complex P. E's, and the former for larger and more complex ones (p. 141). He recognises, however, that functional Boards, with full-time Board members, tend to curtail the autonomy of plants or operating units. During the course of his treatment of the role of the Chairman he suggests that the parttime Chairman (wherever this is the case) should be vested with full authority, and there should be no diffusion of authority between this Chairman and the full-time Managing Director (pp. 153-54). This seems to be an

untenable position. For, a part-time Chairman is only the chair-person for the Board. The Companies Act does not acknowledge it as a distinct role in a Board. It is the M.D who is the Chief Executive of the organisation — in the absence of a full-time, employee — Chairman. In that case, vesting of full authority with the part-time Chairman is fraught with disastrous consequences. Such Chairmen have to carve out an entirely different role profile centering around helping, supporting and guiding the M.D., rather than relegating him to a subordinate status. For, otherwise, the part-time Chairmen will all become cases of absolute power corrupting them absolutely !

The book includes chapters on unit-level management ; performance evaluation ; financial, personnel and production management ; pricing policy ; project appraisal ; and public relations and the consumer. Thus, all aspects have received their due share of attention. There is also a very exhaustive select bibliography to aid readers in following up many of the issues raised in the volume — no matter whether one agrees or disagrees with the author's interpretation of them. Finally, this large book is pleasingly free from printer's devils.

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**Inflation and Industrial Workers : A study of repercussions ;** G. K. Suri and H. V. V. Chellappa, New Delhi, Shri Ram Centre for Industrial Relations and Human Resources, 1980, pp 1-72 + Appendices. Rs. 20/-.

The book under review reports the results