

Book Reviews

The Truth about Markets—Why Some Nations are Rich but Most Remain Poor

John Kay

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Why are some countries rich, and others poor? This apparently simple question, together with a powerful critique of what he calls the ‘market fundamentalism’ (p. 8) of the ‘American business model’ (p. 4), is the central concern of John Kay’s thought-provoking book *The Truth about Markets*. In attempting to answer this question, Kay takes the reader on a tour through the world of contemporary economics and political economy, and eloquently explains that this truth is more complicated than the simple nostrums that this model expresses.

By the American business model, Kay means the brand of free market capitalism encouraged by the Thatcher and Reagan governments of the 1980s that eventually came to be encapsulated in the phrase ‘Washington Consensus’ (p. 7) as organisations such as the IMF and World Bank encouraged developing nations to pursue a similar course. Kay characterises this model by its individualistic, materialistic assumptions about human behaviour and by its minimal view of the state. Rationality or self-regarding materialism is held to be the primary motivation in economic life, and low taxation and privatisation are the best policies that governments may adopt. Governments should not interfere with market forces in order to try and promote social justice, and globalisation essentially means that this model should be adopted in full by all developing nations. Kay locates the Chicago School of Economics (and its essential view that free markets do not make mistakes) and the individualist political philosophy of Nozick and Rawls as providing the intellectual foundations for this model.

In rejecting these foundations, Kay stresses the origins of markets in other human institutions and in history. Levels of economic output and living standards are a complex product over long periods of time of economic systems and political, cultural and social factors. The basis for successful economies may be found in the co-evolution of economic systems, political institutions, social arrangements and technological innovation and not in the slavish adoption of one economic model’s principles. From the switch by Cro-Magnon man from production for use to production for exchange, to the industrial revolution, the division of labour and the establishment of limited liability companies, Kay focuses on the shifts and

evolutions in economic processes that have led us to where we are today. Why did the industrial revolution happen in nineteenth century North-West Europe, but not in South-East China, he asks? Why has New Zealand dropped so dramatically in the rankings of rich states since 1960? In the former case, Kay explains that China's political institutions lacked the pluralism of post-Enlightenment Europe and that this inhibited their ability to translate technological innovation into economic performance. In the latter case, Great Britain's gradually increasing trading relationship and political integration with continental Europe and New Zealand's inability to find alternative markets led to poorer economic performance, despite more than a decade of market fundamentalist policies by successive New Zealand governments since the mid-1980s.

Economics, Kay tells us, should be sensitive to the fact that small changes in social and political circumstances can have quite significant consequences for economic development. History is important and there is not necessarily one single answer to which the world's economies are converging. As Charles Hampden-Turner and Fons Trompenaars have noted,¹ diversity in capitalist systems is to be expected as different national cultures and values influence economic behaviour. For Kay there is no end of History in economics and the 'grand narrative' (p. 192) of the American business model should be resisted as it purports to offer certainties in much the same ideological fashion that Marxism once proclaimed.

According to Kay, most economists yearn for the apparent certainties of physics and would prefer to believe that human behaviour is perfectly rational and self-interested. Such a belief is attractive since it suggests that conclusions about human behaviour may be drawn largely from *a priori* reasoning without much in the way of empirical investigation. Kay however is an exception to this view. He relentlessly stresses the path-dependent and adaptive nature of human behaviour and the contextual, contingent nature of economic systems. Human behaviour is shaped by the environments in which human beings find themselves and may not be presumed *a priori* to be efficient and purely self-regarding.

While providing an obligatory description of the perfectly competitive markets so beloved of neoclassical economics, Kay also elaborates upon the actual mechanisms that facilitate market transactions and innovation such as advertising, reputation, team-working, government intervention in sponsoring 'blue sky' research, standards, social norms and even philanthropy. Kay does not deny that materialism plays a role in the transactions of the world's market economies. Rather he prefers not to focus on this to the exclusion of other factors. Kay also rounds on what he calls 'DIY economics' (p. 162), or the statements that politicians often make on national economic matters which they claim then proclaim as true since they are obvious from their own, or anyone else's, daily household experience. Margaret Thatcher and her guru, Sir Keith Joseph, are singled out for particular criticism. While there is little 'DIY law' or 'DIY dentistry', unfortunately there is much 'DIY economics', Kay tells us, and such statements tell us more about the ideological preferences of politicians than the extent to which they may have any genuine knowledge of economics.

In critiquing free market capitalism, Kay draws upon wide-ranging influences, from communitarianism to complexity theory. However Kay eschews the use of mathematics in his text and argues that productive market economies are embedded in social, political and cultural contexts, and could not operate outside these contexts. 'The Embedded Market' (p. 19) is Kay's own term for this view, and in it markets are viewed as emergent phenomena, whose development and spontaneous

order are crucially affected by the degree of pluralism that their nation's social and political systems allow and the ways in which economic systems deal with information about performance and feedback mechanisms.

Where pluralism is high and feedback is of high quality, as is the case with regimes or organisations that prefer great decentralisation of authority, such as national industries that have many domestic competitors, then generally markets and market economies will develop more successfully. On the contrary, where pluralism is low and reliable feedback is difficult to obtain (because the bad news may be unwelcome by the political centre), as in undemocratic regimes that prefer centralised decision-making and the suppression of dissent such as Mao's China, then markets will not develop so well and economic development may not be as successful.

Markets generally deal with the so-called problem of 'incentive compatibility' (p. 78), or the problem of matching producer capabilities and consumer needs, better than centralised, planned economies since the assessment of which capabilities can satisfy particular consumer needs is more widely distributed and decision-makers have access to better quality information. Also, greater pluralism means more chance to experiment and more opportunities to discover the best means of matching capabilities and needs. In such circumstances the chances for innovation and economic success are more likely.

Kay is critical of highly centralised regimes of authority, whether they are found in communist or capitalist societies. Adaptation and trial and error are key processes of economic development and these are rarely capable of being effectively carried out by a single controlling mind or authority. Displaying sympathies that might be labelled post-modern, Kay berates much of economics and business for clinging to modernist beliefs that such large scale systems as economies can be effectively modelled and understood with reference to the intentions of individual agents or simple chains of cause and effect. As he says: 'An economic system has no architect. There is nothing but the text to study' (p. 193). No-one is responsible for designing a particular market or an economy and ideologies that suggest otherwise should be resisted. The implication is clear: economics should lower its ambitions.

While this book inevitably makes reference to a great deal of technical language, I enjoyed it as it explained much economics to me, while always confirming that people ultimately matter. Kay's text makes frequent reference to individuals and families from Scandinavia and Switzerland to Asia and Central America, and in highlighting the reasons between productivity differentials between individuals and organisations in these nations, Kay reminds us that questions of who may be considered to be the most happy are nowhere near as easy to answer as questions of productivity. While some interesting references were made to the influences on economics of ideas from complexity theory (such as self-organisation, spontaneous order and co-evolution), this avenue was left somewhat under-explored as Kay sought to critique market fundamentalism. However, given the author's preference for omitting mathematics from the text, and the obscure nature of this research area outside of the social science mainstream, this was perhaps unavoidable.

Kay doesn't offer simple prescriptions in this book, but prefers to point out that market economies that are successful are so because they are adaptive and their rules may not be easily framed since many are implicit and grounded in social and political institutions not accounted for by the American business model. Essentially people learn how to cope with new circumstances and are capable of creating rich

new sets of rules if their societies grant them sufficient autonomy to experiment. Today new rules are needed to cope with technologies such as the Internet and the human genome. Economic rules, like all others, are socially constructed and aren't reducible to the basic premises of the American business model. Kay contrasts this to the rather conservative view of many economists today who overemphasise property rights when describing how markets work. Such rights are in fact only one kind of rule that operate in modern economies today.

Indeed Kay argues that the American economy could not be the success that it has been in the twentieth century if its growth was purely as a result of this model's assumptions. Furthermore, nations that most closely resemble the prescriptions of the American business model (as regards to the absence of big government), sub-Saharan African states such as Liberia and Rwanda, Kay shows to be amongst the poorest in the world. In these contexts, unrestrained individualism has contributed to corruption, violence and greed. Without stable political institutions and supportive social conventions to regulate markets, states of anarchy have resulted. With reference to such cases, the blind spot in the American business model to matters of ethics and political economy could not be more obvious.

To conclude, Kay's book is a welcome remedy to the triumphalism of late 1990s free market capitalism and to the arrogance of those who would seek to fit an American business model onto developing nations. Drawing upon Keynes, Kay argues that economists should try to solve specific problems, much like dentists or plumbers, rather than launch ideological crusades. In the spirit of Karl Popper,² Kay argues that economic understanding should be viewed as a 'piecemeal process of acquired knowledge, driven by little stories' (p. 364) rather than by grand narratives. Such little stories should aim to provide us with economic models that aim at illumination rather than ultimate truth. Kay argues not that capitalism should be replaced with something more humane, but rather that we should strive harder to understand the human and social foundations upon which our markets are already based. In acknowledging the limitations as well as the successes of markets and in making a genuine engagement with politics, Kay shows that the so-called dismal science is not beyond rehabilitation.

Notes and References

1. Charles Hampden-Turner and Fons Trompenaars, *The Seven Cultures of Capitalism*, Doubleday, New York, 1993.
2. Karl Popper, *The Logic of Scientific Discovery*, Hutchinson, London, 1959.

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Time for Revolution

Antonio Negri

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... there is something that must be rediscovered: intellectual sincerity. It must surely exist somewhere ... (p. 129).

do not obey, that is be free; do not kill, that is generate; do not exploit, that is constitute the common (p. 258).

for all people laugh in the same tongue
and cry in the same tongue
endless endless it's all endless (Bob Dylan).

Time for Revolution is a highly complex and extremely rewarding analysis of the concept of time. For those already familiar with Negri's international bestseller, *Empire*,¹ which he co-wrote with Michael Hardt, this work should be seen as an essential companion. The book elaborates the concepts of biopolitics and the constitution of the multitude or the 'common' as he terms it in this new essay. The book is actually made up of two distinct works composed during different periods of Negri's life, but which share more or less the same themes which concern the re-evaluation of the concept of time. The first essay is called *The Constitution of Time: time pieces of capital and communist liberation* and was written in the early 1980s. The second essay in the book is called *Kairos, Alma Venus, Multitude: nine lessons to myself* and was completed after the publication of *Empire*. The first work was written when Negri was doing time in prison and perhaps there is no better place for a meditation upon time and its significance to us. Indeed the original notes which were made for this book were 'destroyed in the piss and fire of the repressors [guards]' during one of the prison riots. Negri's case is in many ways prototypical of the current disintegration of legal rights in the so-called war on terror. Negri was imprisoned in Italy for alleged associations with the Red Brigade, then he lived in exile in France working as a lecturer in philosophy, and has recently returned to his native Italy only to be put under house arrest. Despite the many punitive measures the state has inflicted upon him he has never actually been tried, nor found guilty of any crime. Foucault himself remarked that Negri's only crime was that of being an intellectual. Negri says little about his own life in the book but what is said integrates seamlessly with his general argument that we are engaged in a permanent civil war. The corporate state is continuously attacking the common life of its people, where peace has become little more than legitimate violence. One may be reminded of Tacitus' oft-cited rebuke of his Roman leaders, 'Where they make a desert, they call it peace'. Accordingly the opposite of war is not peace, but life itself. But let us now turn to the main philosophical arguments of the book. It is difficult to provide an adequate account of the complex arguments of this book in a short review, but a few of its major themes are highlighted below under the following headings: the principle of crisis; biopolitics; creativity and power; and love, language and the immeasurable.

The Principle of Crisis

The first essay begins by highlighting the contradictions that are apparent in existing conceptions of time, especially that time is considered both the substance of value (use value, living labour) and the measure of value (exchange value, labour as commodity) (p. 27). Writers as different as Marx and Smith have been agreed on the idea that time is the substance of value, but if this is the case how can time then be used as a measure of value, i.e. itself? According to Negri, this contradiction is not resolvable by philosophical means, but under capitalism it has been accomplished by resorting to Power: 'The form of equivalence [exchange value] is simply

an effect of coercion' (p. 28). This Power is exercised in a host of techniques that are used to measure, monitor, control and punish the activities of the labourer. All labour becomes alienated from the labourer when it is brought to market and sold as a commodity. The fruits of labour become subject to exchange by reducing the labour time embodied in them to 'socially average labour'. The ultimate form of alienation is achieved when labour itself is transformed into a commodity, and the labourer sells himself or herself, their time and their life, upon the open market. Time as measure is thus key to the process of alienation and exchange, which Negri terms the 'analytic of command' (pp. 43, 48). In contrast to the analytic of command and time as measure, there is another time which is purely communal. This is the time of everyday life, the time of living, learning, playing, talking, loving and working. Collective time is the time wherein people cooperate, which is fundamental to all other forms of organization. But this time is not necessarily measured, and in fact it lies beyond measure. Collective time can be characterized as being pure use-value, in other words it is valued for the immediate utility it has for its user independently of its capacity to be exchanged for money. According to Negri, the concept of use-value has revolutionary potential because it allows for the creation of values which lie beyond the realm of the market. The market operates by reducing all things to the commodity fetish and all values to one value—money. Use-value allows for ways of valuing things which have not yet been alienated from us and transformed into commodities, and in this way it confronts the market with alternative systems of valuation. The difference between use value and exchange value is one of the chief contradictions of capital through which its many struggles are played out on a local level. Negri's analysis explains this contradiction as follows, 'The time of co-operation constitutes itself as a subject against capital. It is *use-value*. It is *principle of crisis*, latent or actual—but always principle of crisis' (p. 63). Co-operation is the primary productive force of society, and is necessary before any subsequent forms of organization. Co-operation is necessary for all forms of production, and it is immediately productive regardless of any system of organization that is superimposed on it. Under capitalism this fact has become a principle of crisis, which is characterized by a process that is transforming more and more social relations into commodities (e.g. services, knowledge, emotions, information) and is probing deeper into our selves and social interactions, or what was once disregarded as the realm of mere use-value. This is reaching its ultimate expression with the arrival of what Negri terms the 'biopolitical society'.

Biopolitics

During the eighteenth and nineteenth centuries, with the rise of the factory and mass production, capitalism could be characterized largely in terms its limitations, especially its disregard for the intellectual and emotional life of its labourers, to say nothing of the effects of manufacturing upon their bodies. When Marx was writing, he bemoaned the fact that the machinery of mass production wasted and ruined its workforce, and their creative potential. Today this limit has been surpassed, and following Marx, Negri calls this new condition the real subsumption of society under capitalism. The entire field of social relations are now an object of exploitation, whether it concern our thoughts and ideas (intellectual, symbolic), our emotions (services, communications), or material well being (food, durable goods). Education is not an end in itself, but a means to produce 'knowledge workers' and 'symbolic analysts'. Emotions, once considered to be part of a

private process by means of which one worked upon and constituted one's self, are now an adjunct to the means of production, in processes such as informing, entertaining, exciting, comforting. Today, capitalism feeds its machinery with as much emotion and intelligence as it can swallow, munching its way through university qualifications, psychological profiles, human resource management techniques, knowledge management programmes, intellectual property rights and so on. Society has become biopolitical to the core. It is worth going back to Foucault and to Hardt and Negri's re-conceptualization of his notion of biopolitics. Foucault's histories of the prison and sexuality described a range of institutions such as prisons, schools and factories within which techniques were pioneered for producing useful bodies and for the government of populations. In distinction to this, Hardt and Negri described biopolitics as having an extra dimension, which encompasses all the strategies of resistance to institutional control and the social relations which make up everyday life. For them, biopower is a fundamentally productive and creative force. Their theory of power emphasizes the idea that resistance always exists before power, it is the line that power moves along and by means of which it develops.

Creativity and Power

In the present work, a similar distinction is made in Negri's use of the term Power with a capital 'P', to denote an exploitative technique of control, in contrast to power with a small 'p', to denote the creative potential of the multitude. The former techniques of Power are completely reliant and parasitical upon the cooperative efforts of the multitude. In fact, big Power has no creative capacity of its own. Both *Empire* and the present book emphasize the idea that resistance should not be seen as dialectically opposed to Power because resistance is really a creative and productive force in its own right. Politically one can see this in the creation of the republics of France and the United States, where new forms of democratic government were created against the failures of monarchic dictatorships. Negri's distinctive approach also highlights the role of student and labour revolts in the 1960s against poor working conditions and low pay. He argues that these revolts lead to a general re-evaluation of the value of intellectual work and emotional labour. In fact, Negri states that all techno-scientific developments spring from such points of resistance: 'The refusal of work counts as the basis of complex labour and techno-scientific labour' (p. 73), and furthermore that it is 'the origin of all forms of productivity' (p. 74). On the whole the owners would be quite content to carry on exploiting labour with the existing technology, if it was not for the fact the labour was always finding ways of 'wasting' time or sabotaging the machines of the owners. It would be wrong to dismiss this quite startling argument as the dogma of the radical left for many reasons. For one thing, Adam Smith himself said almost exactly the same thing in a discussion of the creative potential of labour at the very start of the *Wealth of Nations*. Smith saw labour as the fundamentally creative force in society, in his own words: 'A great part of the machines made use of in those manufactures which labour is most subdivided, were originally the inventions of common workmen ...'.² On the following page Smith described one of the earliest innovations in engine technology, whereby the opening and closing of a pressure release valve became automated. He gives credit for this invention to a young boy who had been employed to work on the engine but who wanted to save time so he could play with his friends. Smith added that the craftsmen who

build the machines also made refinements in their design, but either way the creative force is that of labour. Smith esteemed labour so highly that he made it the common measure of all value, a point which was later taken up in the work of Marx and now appears in Negri's own analysis.

Despite the pre-eminent role of labour, there are some crucial differences between Smith and Negri's work. For instance, whereas Smith saw almost all improvements in production deriving from the division of labour, Negri stresses the importance of imagination and intense co-operation in the development of capitalism and the techno-scientific labour upon which it is based. For Negri, co-operation and love are the fundamental productive forces of society. This has always been the case, no matter what the specific mode of production, but it is now explicit in the mode of production of the so-called network society. Networks of co-operation, love and language are the basis of society and as such they are beyond measure; there is no external point of view from which social production can be objectively judged and measured. The ownership of ideas and the provision of services are gaining primacy as the chief means for making profit, rather than the manufacture of durable goods, which is increasingly out-sourced to poorer countries. Exploitation requires measurement so that a surplus can be extracted from the process of production. This has become a particular problem with the rise of immaterial labour, which involves intellectual, communicational and emotional skills. A plethora of new methods are being spawned to deal with these forms of immaterial labour and the difficulties surrounding the exploitation of these aspects of social life, such as intellectual property laws, knowledge management programmes and creative accounting techniques. The exercise of Power can thus be defined as 'the practical organization that seeks to bestow measure on the immeasurable' (p. 258).

Love, Language and the Immeasurable

In distinction to time as measure Negri has coined the term *Kairos*, which he defines as a time born of collective imagination and action, which includes the imagination of things not yet created: '*Kairos* is now the arrow that has been released' (p. 154). This conception of time refers to all aspects of social life that are immeasurable. *Kairos* describes the life of the multitude, and most concerns the productive masses of the poor. According to Negri the poor are productive in a variety of senses: it is the poor who work in the factories and mines that actually produce most of the world's wealth, it is the poor who produce the labourers of tomorrow, and it is the poor who produce language and from which spring the fundamentals of social existence. In Negri's own words: 'To give meaning to languages and to innovate in the course of the circulation of meaning: these are the gifts that only poverty can bring' (p. 203). Poverty is the common name of humanity. Poverty and the practice of love are intimately related, and Negri names St Francis of Assisi to illustrate the nature of this relationship. St Francis showed us that it is utterly ridiculous to see the poor as an object of love and the wealthy as the beneficent lovers; precisely the opposite is the case. The poor are those who love, they have nothing but what they share in common and they construct this common, where 'Love is the desire of the common ...' (p. 209). It is through language that they create meaning, co-operate and thereby create the common. Language and love are the grounds for revolutionary practice: 'Language is not born and does not develop other than in the common and from

the common. Nothing is produced that is not produced through the common: all commodities have become services, all services have become relations, all relations have become brains, and all brains form a part of the common. Language is no longer only a form of expression; it is the only form of production of the human and its environment. Language is the mode of common being' (p. 189). In a networked world production is increasingly centred around the provision of services, the necessity of communication, and the creation of emotion and ideas. According to Negri revolution is now immanent and necessarily emerges from the fact that we now control the means of production, that is our language, our words, our thoughts and our imagination. The fight for the common is taking place all over the globe through many diverse local struggles. The Zapatista militants in Mexico have used the media and the Internet to popularize their fight to maintain their local culture and a living wage for peasant farmers in the face of neo-liberal reforms, but it is not just the poor who have a concern with language and the common. Similar concerns about the privatization of the commons have been appearing in the news over recent years, for instance the surprising rise of online music communities which have taken the music industry by storm and the developments in free software such as Linux. This has led to the invention of 'Copyleft' and the Open Public License—free property. The creation of the commons is taken seriously in many parts of the mainstream academia, such as MIT's Open-courseware, which is published free on the Internet to promote the circulation of ideas and open access to education. Many of these strugglers may be seen as alternative approaches to what the management literature has termed 'knowledge management' and in many respects Negri's work provides a brilliant theoretical underpinning to explain the significance of such struggles in the (post)modern network society.

Notes and References

1. A. Hardt and A. Negri, *Empire*, Harvard University Press, Cambridge, 2000.
2. A. Smith, *The Wealth of Nations: Books I–III*, Penguin, London, 1970.

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Information Technology Parks of the Asia Pacific: Lesson for the Digital Divide

Meheroo Jussawalla and Richard D. Taylor (Eds)

Armonk, NY and London, UK, M.E. Sharpe, xi + 298 pp, ISBN 0 7656 1144 9 pbk

This book is an edited collection of some nine chapters. Its co-editors are well known scholars. Jussawalla is an emeritus senior fellow at the East–West Center in Hawaii and Taylor is a professor of telecommunications studies in the Pennsylvania State University College of Communications. The editors acknowledge the financial support of The Ford Foundation, which resulted in this joint project between the East–West Center and Pennsylvania State University 'to tackle some of the development issues in reducing the [Global Digital Divide] GDD and the role of information technology in economic development' (p. 4). Well-known US communications expert, Eli Noam from Columbia University, praised the book in an

advertisement for it appearing on the back cover of the November/December 2003 issue of the journal *Telecommunications Policy*, saying 'This terrific book should be required reading for all those seeking to develop a high technology economy and society, or for those studying the subject ... Highly informative, clearly written, and without the self-congratulatory prose of government reports ...'. In sum, the book has good recommendations and readers might expect to look forward to some real insight here. Unfortunately, for this reviewer, the book falls short of its expectations and is somewhat disappointing.

The context for the book is set by a one and a half page Foreword by former International Telecommunication Union (ITU) Secretary General Dr Pekka Tarjanne, which is followed by an introduction by Jussawalla titled 'Bridging the Global Digital Divide'. The language of these context-setting pieces is very telling and can best be described as a form of United Nations-speak. It is a view of an international problem, namely the global digital divide, from the lofty heights of international politics and international programmes. Tarjanne mentions the UN's Information Communications Technology Task Force which extends the UN beyond its purely intergovernmental nature to involve the private sector, academic, national governments and civil society 'as a whole as equal partners and stakeholders in a common endeavour'. He notes the extremely positive impact of IT parks in particular in Asia and exhorts that 'we have to reach the citizens immediately and then proceed with haste in order to narrow the ever widening digital divide' (p. x). For him, two important bottlenecks have to be overcome before a global information or knowledge society is reached: human resource development; and good governance. Tarjanne only briefly mentions Information Technology parks but the emphasis is on seeing them as a means to achieve ends (namely, a knowledge society which is inferred as a better society). Jussawalla's chapter is more wide-ranging and erudite but it too does not depart much from the field of view that favours international institutions. Jussawalla simply expands Tarjanne's agenda and concludes with a potted overview of 'IT Centers in Asia' (Singapore; Bangalore, India; Malaysia; Taiwan; China; Hawaii), which are the themes of subsequent chapters.

Of the eight chapters that follow the introduction, six are devoted to individual countries. These country studies are not altogether uniform. Lin Sun reviews 'high-tech' parks in China (note, not IT parks). This is a comprehensive chapter and it sticks to its task of describing park activity and the policy background to that. Chapter 3 is by Richard Taylor and is a lengthy 64-page analysis of the 'Malaysia Experience: the Multimedia Super Corridor'. This too is extensive but focuses on policy and history at the expense of the Super Corridor itself. The chapter on India (Chapter 4) is by Naidu and like Taylor's has less to say about parks than it does, in this case, about the history of IT in India. Chapter 5 by Khondker looks at Singapore's 'science and technology' parks (note, not IT parks) and its evolution from fishing village to Technopolis and Biopolis. The latter term refers to Singapore's current emphasis on biomedical R&D. Like the previous chapters, it is about policy and institutions and I wondered when reading it why so much detail was necessary, apart from presenting some sort of historical record. For example, virtually half a page is devoted to the aims of the Science Council of Singapore as reported in 1966. The same level of detail is also provided for other science policy institutions of the time. Likewise, four pages are devoted to listing park tenants. Surely this is a diversion from more incisive themes. Chapter 6 by Eunice Wang is about 'Technopolis Development in Taiwan' (note, not

IT parks) and Chapter 7 reviews the case of Hawaii, this time a business park and a teleport (note, not IT parks). Jorge Reina Schement is the author of a short nine-page contribution, Chapter 8, titled 'Lessons of Technology Parks for the Global Digital Divide' (note, not IT parks). I expected this chapter to be much more reflective. However, Schement remarks that '... they [IT parks] produce major benefits for economic growth, technology exports, and development of an indigenous community of technological innovation' (p. 251). This chapter has the obvious aim, almost as an afterthought, of bringing together some of the themes evident in the country specific chapters and relating them to a conceptual understanding of the 'digital divide' theme. Finally, Chapter 9 is Jussawalla's concluding chapter on the role of IT parks in bridging the digital divide. It is the only chapter in the book with 'IT park' specifically in its title and the theme is predictable, almost deterministic: 'One fact becomes evident: IT continues to revolutionize societies across political frontiers with the goal of acquiring a larger share of global markets' (p. 254).

I have gone to some trouble to reflect on language since it exemplifies one of the book's main limitations: its perspective and further its blindness to the implications of that perspective. That perspective, which sees IT parks from the view of the state, invites the reader to inhabit an intellectual space that ignores many pertinent questions. The logic goes something like this. IT parks are linked to economic development and they are implicitly good. They are popular in the west and have become popular in Asia. They are a policy instrument ideal for transferring and copying—a sure fire means to achieve ends. They are almost always capable of delivering benefits to a wide range of the community and if problems arise, policy adjustments can be made. They are the result of rational planning and government initiatives. They are successful and evidence of park occupancy rates, investment and jobs created is sufficient to justify their relevance to industrial development. For those countries that lag, the prospect is that IT parks will provide a vehicle for catch up or leapfrog. As Jussawalla notes in the conclusion: 'Each of these measures [IT parks], whether sponsored by government policies or private sector investments will ultimately lead to the narrowing of the digital divide internationally as markets open to the digital equipment and services supplied by the Asian IT parks and as the WTO rules are observed. As our study has illustrated in every case, the economic impact has been favourable in the form of human capital formation, knowledge agglomeration, and earnings from international trade' (p. 282).

What important questions, then, are ignored in this book? My remark above that the phrase 'IT park' appears in only one chapter title in the book is more than a pedantic observation that the text needed editing. Just what is being analysed in this book is important but I felt the editors never conceived this as problematic. I wish to avoid criticizing the editors of compiling for a book they did not write but it seems intrinsically interesting to me to understand why the adjectives used before the word park in policy documents have changed over the years. There have been industrial parks, research parks, science parks, science and technology parks, technology parks, biotech parks, and now presumably IT parks to say nothing of technopoles, technopolis, and biopolis. What is it about IT that privileges it in this context and should it be that way? My view is that the perspective adopted here, a policy perspective if you like, interprets things very selectively and ignores the very stuff that parks are trying to emulate: the creation of worthwhile knowledge and its successful transfer. A study on this would have required a

different book however. If knowledge as part of the innovative process is put to one side in this edited text, then the consequences of knowledge for the digital divide fare little better. Where in the text do we see discussion of the problems of transferring the park concept across differing cultural boundaries? Where in the text do we see discussion of the international division of labour and its implications for migration and wage rates? Where in the text do we see discussion of how political regimes that restrict the flow of information interfere with the workings of a western style technology park? These themes are not explicit in the text and if present, the reader has to work hard to make the links. There is, in short, not enough questioning of the role of these parks and the intellectual and theoretical base underpinning them.

A recent article in *Prometheus* quoted the words of J. B. Rule: 'Thus it is essential that those of us who are about these matters work to ensure that the "information society" remains politicized—the best sense of being invested with public attention and concern'.¹ Jussawalla and Taylor move us towards that goal, but not too much. Some may argue they take us in the opposite direction.

Notes and References

1. J. B. Rule, 'The information society, the new economy and the hype', *Dissent*, Fall 2000, pp. 83–7, cited in J. H. Amernic and R. J. Craig, 'The rhetoric of a juggernaut: AOLTime-Warner's Internet policy statement', *Prometheus*, 22, 1, 2004, pp. 21–41.

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Radio Man: The Remarkable Rise and Fall of C.O. Stanley

Mark Frankland (with Gordon Bussey, Consultant)

London, The Institution of Electrical Engineers, 2002, xvii + 356 pp., £25.00, ISBN 0 85296 203 7 hbk

'He was too good a salesman', wrote *The Economist* of the Pye electronics group's boss, 'convinced that there was no market so bad that he couldn't sell his way into it'. Mark Frankland's fine book about C.O. Stanley reminds us that the 1990s were not the first time marketers took charge of communications companies.

Radio Man is the 30th title in the Institution of Electrical Engineers 'History of Technology' Series. Stanley joins others including Hertz, Maxwell, Faraday, Kelvin, Blumlein and Baird in getting his name into a title in the series. If that company seems a little grand, it nevertheless reminds us that the manufacturers and sales people who make and sell things in large numbers are as important to media revolutions as the senders of all those 'first messages', who dominate some renderings of communications history.

An Irish Protestant born in Country Waterford at the end of the nineteenth century, 'Charlie' Stanley, moved across the Irish Sea after the First World War. He lived with his brother and sister, completed a civil engineering diploma and got into advertising. He quickly set up his own agency, dropped 'Charlie' for 'C.O.', gave jobs to his family, and snared a good client in the Mullard Radio Valve

Company. The Stanleys pushed valve receivers, Wolsey socks and Hercules bicycles. A magazine launched in 1926 for Mullard called *Radio for the Million* helped to make radio a medium for listeners rather than tinkerers. It won Mullard a quarter of the amateur radio construction market which dominated early radio sales. Mullard was soon bought by the Dutch Philips, just as Pye would be four decades later after Stanley's fall.

The acquisition of the radio business of Cambridge instrument-making firm WG Pye in 1929 took Stanley from selling to making radios. He floated the company as Pye Radio at a value three times what he paid for it, retained control, and bought the magnificent Lisselan, overlooking the Argideen River in County Cork, where he spent summer holidays. British radio receiver sales in the 1930s were dominated by EMI's Marconi and HMV brands, but Pye became an important force in the market and, during the Second World War, the biggest employer in Cambridge. It had a good television set on sale when the war broke out and the BBC's three-year-old service was shut down.

Governments spent heavily on radio during the war. Pye's television engineers became its radar team, and the company did important work with airborne radar, the 'proximity fuze' that transformed anti-aircraft defence, and mobile wireless sets. The company's small size and 'fantastic speed of conception and realisation', as one official called it, had real advantages in the frantic climate of war (p. 98). It survived, and even thrived on 'a genius for improvisation' and a willingness to be 'absurdly overworked', according to one engineer (p. 104). It was one of the commercial radio companies whose hasty methods balanced the caution of the War Office—the one producing a series of models and eventually reasonable equipment, the other, expensive but reliable equipment. Both had their places.

Stanley told his engineers to 'forget patents' in the interests of winning the war, but was, according to Frankland, 'never reconciled' to handing over technical secrets to the US. He later complained that it was a tragedy the Americans had been allowed to 'steal the trademark' of the war-winning radar that came 'scientifically and industrially' from Cambridge. Frankland's more moderate assessment is that the EF50 valve, Pye's 'entry ticket to radar', was 'a Dutch-made valve that British brains had devised but could not manufacture ... The enterprise of C.O. and Pye, and of other British companies and government scientists, was used to pay America for putting its resources at Britain's disposal even before America itself entered the war' (pp. 104, 112).

The early post-war years were an 'endless boom' according to one staffer (p. 168). Pye was an innovator in television design. Its profits increased nearly ten-fold in the decade to 1955. In that year, Pye was Britain's largest radio exporter, and commercial television was introduced. Stanley's had been one of the loudest voices demanding an end to the broadcasting monopoly of the BBC, whose programming philosophy he thought was holding back receiver sales. Pye's success seemed to sanction C.O.'s way of running his company. It was a family, though a family that C.O. dominated almost completely. Acquisitions were made without due diligence—in 1965 there were 109 companies in the group, including 39 overseas. Stanley disliked accountants and got others in the industry offside. Despite its sales success, the company's capital base was still only a fraction of rival TV set manufacturers GEC and HMV/EMI.

In 1955, Pye built a terrible television set, the VT 14, which shook dealers' confidence. The following year, breast cancer claimed C.O.'s sister Pearl, the one person

who dared to challenge the boss, and remind him of the dangers of overconfidence. Pye bought a lemon, in rival Ekco, in 1960, getting deeper into the volatile TV receiver market at a time when it had promised its shareholders diversification. By the time the merged entity, British Electronic Industries, was renamed Pye of Cambridge in 1963, its TV receiver market share was down to 15%. Stanley's noisy campaign for 625-line television to replace the quarter-century-old 405-line standard worried retailers holding old stock and encouraged consumers to rent. The new BBC-2 did not produce the hoped-for surge in receiver sales. An attempt to break into the increasingly popular rental market, for which C.O. made his only son John responsible, proved disastrous.

Frankland provides a careful account of the shareholders meeting in November 1966 at which C.O. lost control of the company he had built—'the City of London's equivalent of an execution' (p. xiii). John was there, C.O. was not. It was ugly, as these things are, then and after.

There are other places to go for more complete renderings of the many stories *Radio Man* touches—Asa Briggs¹ on broadcasting and Bernard Sendall² on independent television in the UK, the many angles on radar and the war, and the post-war British economy. Gordon Bussey, a consultant on this project, has written extensively about early radio. But this is C.O. Stanley's story, biography as media and technology history. Like other media entrepreneurs whose companies become expressions of their own personalities—Murdoch's News Corporation is the best surviving example—the personal story is also an institutional history. It is impossible to write one without the other. We get more of C.O.'s Ireland, his three wives, and his relationship with his son, than might find space in a story of the company alone, but more of the technology and technologists, especially about Pye's wartime activities, than a purely personal story might demand. As industrial history, *Radio Man* is heavily focused on Britain, which was Pye's centre and main market, Ireland, and occasionally Australia, where the company established a strong subsidiary. The book provides an important piece of the broader economic story of the post-war boom and decline of consumer electronics in the victorious nations, and its rise in the vanquished.

Mark Frankland, a former foreign correspondent for *The Observer* whose 1999 autobiography won the J.R. Ackerley award, acknowledges generous support from Stanley's family, especially grandson Nicholas, who collected most of the documents on which the book is based. They wanted the biography 'to include all relevant material, regardless of how it reflected on C.O. Stanley'. It took 36 years after Stanley's fall, and 13 after his death, for this story to be told. Some media executives, like MCA's Lew Wasserman, resist biographies. Others, like IBM's renovator-of-the-1990s, Lou Gerstner,³ are so enthusiastic they write them themselves. A BBC director-general's job is not done until the hardback is in the High Street. Those like C.O. Stanley make the research, writing and judgments difficult by doing so much but falling so spectacularly, wrapping up their strengths so tightly with their failings.

Ellis Birk, legal advisor at the Mirror Group which joined Pye as a major shareholder in Associated Television, thought Stanley 'one of the world's great disagreeers—there was a really quite extraordinary perversity about him'. But he also felt he had 'a genius ... for the development of ideas ... [and] at seeing an opportunity and fighting to realise it' (pp. 228–30).

This biography does not spare C.O. and John Stanley their flaws, or ignore their gifts and achievements. It is a fascinating story about the transience of commercial

and personal success, the complexity of the factors that produce it, and the difficulty of sustaining it in changing circumstances.

Notes and References

1. Asa Briggs, *The History of Broadcasting in the United Kingdom, vols 1–5*, Oxford University Press, Oxford, 1961–95.
2. Bernard Sendall, *Independent Television in Britain, vol. 1, Origin and Foundation 1946–62*, The Macmillan Press, London and Basingstoke, 1984.
3. Louis V. Gerstner, *Who Says Elephants Can't Dance: Inside IBM's Historic Turnaround*, Harper-Business, Pymble, 2002.

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Remote Working

David Nickson and Suzy Siddons

Elsevier Butterworth Heinemann, 2003, 240 pp., £19.99, ISBN 0 7506 5859 2 pbk

Nickson and Siddons' book about remote working is a brave and as comprehensive run round the territory as anyone could have written in the early years of the twenty-first century. They define their terms early, 'a home or remote worker is anyone who is based at home and uses it as their main place of work at least two days a week' (p. 3). They clearly choose to avoid the earlier use of the more techie-determined 'teleworking'.

They suggest two million of us Do It At Home (pp. 1 and 21) though much of the book is given over to the implications for employers. As I write, the DTI is predicting 8.2 million by 2006 (<http://www.vnunet.com/features/1153653>). Who's got this right?

Page 2 offers a bulleted list of six benefits of remote working. These clearly need spelling out much more closely if it's to catch on further and as a counterbalance to the chapter upon chapter of risks and liabilities associated with such strange behaviours. By the way, did you know that 'teenage children are a particular risk' for IT (they know more than fully grown up people!) (p. 9).

My main overall impression is that the authors' understanding of remote working is somewhat limited to the state of play in the first year or two of the twenty-first century. There's no mention of ubiquitous mobile computing, of PDAs, vpns, of USB storage and so on? These make an amazing difference to me.

The approach in this book both to management and creative approaches to working feels rather twentieth century. I'm all for avoiding 're-inventing the wheel' (p. 15) but would prefer to build on a five-spoke-alloy rather than a cart wheel. Many of the assertions remind me of the early days of e-learning (paper behind a screen) ... of the ilk of the 'horseless carriage'. And yet, in the history of human industry, presumably working from home is much more common and normal than the post-industrial commute? If not every role is suitable for remote working, and not every worker (p. 11), it would be good to understand how we can prepare ourselves to make success more likely. Furthermore, beyond the very managerial approach, I would appreciate a sense of twenty-first century approaches to business,

to customers and clients and to organizational structures, perhaps along with awareness of 'adhocracy' to 'virtual company'.

The personal skills for the remote worker are good but rather obvious (p. 121). For me, they would apply just as much wherever I happen to be working, e.g. prioritizing, good communication, effective decision making. 'Break work into doable chunks ...' (Reward yourself with coffee) (p. 129). Righto.

The authors draw from their own experience as freelance home workers which clearly has offered them a high level of freedom and convenience. Reading between the lines, it sounds like they are partners and their evidence is drawn from the same environment. Their series of interviews with remote employers show that there are many difficulties and pitfalls. Similarly Chapter 11 is a long treatise of assessing the risks of home workers. I'm sure such an approach is sound and if followed actually would increase the chances of a successful remote approach but if employers or employees read these first, they may be put off for ever!

I was delighted to see that 'technology', whilst tackled, is not given pride of place and appears only as Chapter 7. So the digital gods are preceded by a chapter on categories of work suitable for home jobs, a project management approach to implementation and another on 'logistics' and 70 pages of the skills that managers need for successful support of remote employees (phew!). The diversity of sources probably explains the varying tones of voice in different chapters. The very structured approaches to risk and logistics sit a little oddly against low level personal advice in other places.

Chapter 8 highlights the skills that the worker needs. These include lots of things that start with self such as motivation, organization and time management. There is also a helpful section on the home office environment with health and safety points and considers who pays for what (Chapter 9). You can get a lot of this on the Web more interactively, e.g. <http://www.e-officesafety.com/>.

Chapter 10 tackles the remote workers' dependents. There is stacks of advice and points to consider. The style only just avoids patronizing the reader with its 'Golden Rules': keep your spouse from taking your work calls, put your answer machine on when you pick up the kids and get your elderly relatives to day centres. It's OK to have fish or a caged bird in your home office but rabbits chew the computer cables (on the Internet no-one knows you're a gerbil?). I see they haven't solved the problem of keyboard-hugging cats. Ideas anyone?

There are good appendices, with examples of policies to draw from and a list of websites. Personally I prefer references in the text and a proper list at the end, rather than a general bibliography as here, as I don't think anyone would want to access them all.

On the whole, I see the book as a good practical starting point for an HR department or an individual faced with remote working challenges and of interest to researchers exploring questions around work-life balance. However, it's not really a text that will add much to the literature in the field of policy or change.

To really contribute to knowledge or good practice, to promote remote working and achieve serious change, the book needs positioning in more complex and wider understanding, beyond project management and policies. Avoiding a technological or 'ra-ra open source for all' approach has led to a very flat and bland view of the technological and human possibilities of large scale communication, regardless of location. A revision will need to include the complex issues around online communities of practice, of virtual teams and large scale cross cultural

communication. As Howard Rheingold remarks in 'Smarts Mobs' (2002), remoteness can be used for good or evil in the world.

Why is there no website with this book, at least to make following up the links easy? Hey, if you want to try it and write a really creative book about remote working try these: <http://www.freelanceworkexchange.com/> and <http://www.rogerdarlington.co.uk/WAH.html> (both accessed June 2004).

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