
Chopra K.S.: BUSINESS ENVIRONMENT IN INDIA

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Business Environment has always been an intriguing subject to deal with. Its volatile nature keeps the gazers guessing. The contemporary Indian environment is a typical example of it. It is on a fast track. The attempt by Mr. Chopra is, thus, appreciable.

The book is divided into three sections: Economic Environment, Political Environment and Social Environment. In the first section, the book delves into the economic indicators of the country. Distribution of GDP, monetary, fiscal and credit policies have been treated. The section also gives a panoramic view of the situation in some developing and developed country. The topics of foreign trade, technological planning and infrastructural settings have also been covered. Dealing with technological planning, it looks into the state of indigenous technology, and hints at the meagre sum spent on R&D and the major contribution of public sector to it as compared to developed countries where private sectors spend more on R&D. The infrastructural facilities are also much below the desired level, both in quantity and quality. An amazing Rs. 2,000 crores is lost due to poor condition of roads. Then, there is an ever-increasing need for power. Several sources both conventional and otherwise are being used. But thermal source is still the largest contributor and its share is expected to grow. Although hydel power generation is much cheaper and advisable for a good environment, its long gestation period has deterred its full use. Nuclear energy is also on the rise. The power sector, however, is making heavy losses due to two reasons: (a) 20% transmission loss as against a permissible 8-10%, mainly due to theft; and (b) provision of power on subsidized rate to the agricultural sector. Privatization is envisaged.

The book also looks into the performance of industries. It hints at the better performance of private sector and attributes the failure of public sector to bureaucratic controls and political interference. Although, small-scale units contribute 30% of the direct exports, they are still not very effective. Most of the SSUs are the suppliers to the large units. A reverse is suggested where a large unit supplies raw materials for SSUs that produce finished products as in case of electronic industry. The Indian industry being mainly unorganized, the tiny sector plays a very contributory role while providing maximum employment.

Under manpower development, the book looks into the expenditure on education besides several other vital statistics. We find that India spends only 2.7% of its total expenditure on education as against 6-10% by most developed countries. An interesting observation made in the book is that higher secondary education generates maximum money. The book cautions against the brain drain that has increased significantly and is on the rise.

Referring to foreign trade, the book indicates that the developing countries have become uncompetitive due to protectionism. This is one of the reasons of India's dwindling share in the world market. Our major exports are gems, jewellery, cotton textile/garments and leather goods. We are the largest diamond processing country. The measure taken to encourage exports, the performance of Indian joint ventures abroad, the EXIM policy and collaboration are some of the subjects touched upon, under this topic.

With regard to political environment, the book takes the reader through the political structure of the country, the election process, government-business interface, nationalization and electoral reforms. On the subject of power to senior politicians, the book states "if the politicians were to legislate, the bureaucrats to execute, the judiciary to arbitrate and adjudicate and media to ventilate, all would be well. But our Parliamentary cabinet has given excessive clout and power to MPs.... The French Presidential form of government, along with the Swiss Canton based representation, could be a good answer to prune the power of the average MP/MLA in India."

The social environment in India has been treated in the last section that talks about quality of life, population control, social responsibility, protective legislation and the caste-based reservation. The book deals with the policies followed by the National Front government in order to achieve social justice. Ironically, the scene has changed and larger part of it is now a past.

On the whole, the book is very informative. The author has taken effort to put in vast information together. However, with a better formatting and editing, this could have been a more lucid reading. Nevertheless, this book is very useful to those looking for peripheral and quick information on Indian business environment. A positive aspect of the book is the commentary following the information making it guiding for the reader.

PK SINHA
Visiting Faculty
Marketing Area
IIM-B