

## Book Review

*Intervene to Industrialise* by Padmanand, V. and Vinanchiarachi, J., Thiruvananthapuram: Kerala Bureau of Industrial Promotion, 2008, pp. 330.

Presented in 10 parts and 38 chapters, this book advances some of the most salient arguments on the link between policy, industrialization, competitiveness, poverty and development. Taking the cue from Johnson (1982), the authors begin by demonstrating that industrialization can be advantageous rather than disadvantageous for latecomers. Although the theoretical motivation is interesting as it enters from the lenses of latecomer catch, the subsequent discussion is primarily underpinned in a wide range of empirical evidence.

The chapters in Part I discuss the new industrial realities and the developmental state. Contributions of the developmental state, the coverage of issues, basic concepts and the imperatives for connecting and movement up value chains are articulated in this part. Part II addresses the need for an enabling business environment. It explains why the business environment is critical, and argues for a need for changes in the regulatory environment while calling for a review of free trade agreements on the basis of raising competitiveness rather than protection. Part III discusses in detail the role of micro, small and medium scale firms within the context of private sector development. The chapters drive across existing mis-interventions that have left these firms dependent on protection for survival. The chapters then discuss policy changes that can re-orientate their activities to meet global competition. Part IV presents an adapted version of the methodology drawn from clustering and value chains to advance a framework for promoting industrial competitiveness in latecomers. Part V discusses the selection of value chain and products for promotion drawn from the experiences of Namibia and Sri Lanka. The Namibian case is used to demonstrate how inducement can work, while the Sri Lankan case focuses on strengthening of existing clusters.

Part VI discusses the policies that are necessary to evolve desired factor conditions. Among the interesting issues examined are: one, public-private partnerships, specialized infrastructure for market conformance and skills upgrading. Part VII examines industrialization and clustering potential of the Middle East countries with a focus on oil-milling related activities. Part VIII advances the policy framework and the potential synergies that can be

unleashed from inducing clusters in Asia and Sub-Saharan Africa. Part IX examines clustering and the development of micro, small and medium firms in India with a detailed explication of the leather cluster. Part X presents the summary and conclusions.

The fundamental strength of the book lies with the empirical evidence presented from the experiential and tacit knowledge the two authors carry. Few academics can rival the spontaneous use of “clicking” and corrective recommendations that the authors provide from their wide experience. Indeed, the book’s account of problems faced by one-dimensional theorizing and the lack of a repertoire of alternatives to provide the agility and flexibility needed to make the swift changes necessary with time and space is masterful. The book also draws from rich practical experiences to present policy framing, implementation, monitoring and appraisal that can produce successful results.

Perhaps the one area the book could have done more is on the reconstruction of theory to take cognisance of the new dimensions that book offers. The authors should carry their exciting work to organize a body of theory so as to connect small and medium firms through value chains and clusters, towards their movement to the technology frontier. The rich experiences documented especially from Asia and Africa can go a long way to convince policymakers that the task of intervening to engender the creative forces of productive industrialization is easier than what conventional development theorists seem to claim. It can also help assure policy makers that the interventions sought are aimed at efficiency enhancing and market enabling rather than at the archaic distortions that are targeted to benefit cronies.

There is also the need to anchor the concept of clusters through the work of industrial district exponents such as Marshall (1980), Brusco (1982), Piore and Sabel (1984), Becatini (1990), Pyke and Sengenberger (1992), Wilkinson and You (1994), Rasiah (1994, 2007) and Rabelotti (1995). Although Marshall is noted in the reference, it is not only absent in the text, the social logic of the industrial district is also not very obvious in the discussion. The theory of late industrialization can benefit considerably from a thorough treatment of works on the industrial district. The social context of clusters and the relationships that evolve through a blend of trust, as well as, markets that evolve with the clustering process will offer the dynamism required to drive it productively against the daunting currents of globalization.

Overall, this is a wonderful book that makes an important contribution to the discourse on industrialization and development. It should be read by policy makers, students, scholars and those working in firms and *meso* organizations such as the regulatory bodies, R&D labs and training centres.

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