DISSERTATION

# A CULTURALLY EMBRACING ECONOMIC MODEL FOR SUSTAINABLE REGIONAL DEVELOPMENT

Submitted by

Ruben Chitsika

School of Education

In partial fulfillment of the requirements

For the Degree of Doctor of Philosophy

Colorado State University

Fort Collins, Colorado

Spring 2002

UMI Number: 3053414



ProQuest Information and Learning Company
300 North Zeeb Road
P.O. Box 1346
Ann Arbor, MI 48106-1346

COLORADO STATE UNIVERSITY

March 19, 2002

WE HEREBY RECOMMEND THAT THE DISSERTATION PREPARED UNDER OUR SUPERVISION BY RUBEN CHITSIKA ENTITLED A CULTURALLY EMBRACING ECONOMIC MODEL FOR SUSTAINABLE REGIONAL DEVELOPMENT BE ACCEPTED AS FULFILLING IN PART REQUIREMENTS FOR THE DEGREE OF DOCTOR OF PHILOSOPHY.

Committee on Graduate Work

Rick L. Edgeman

Adviser

Department Head

ABSTRACT OF DISSERTATION

A CULTURALLY EMBRACING ECONOMIC MODEL FOR SUSTAINABLE REGIONAL DEVELOPMENT

The increased globalization of the modern world prompts questions about the role of the depth and persistence of cultural differences: culture as an influence on developing and sustaining performance excellence processes and cultural durability in the face of economic change and cross-cultural political-economic contact. This study was designed to develop a culturally embracing economic model for sustainable regional development. The study uses a meta-theory and meta-analysis multidisciplinary-grounded theory research design within the qualitative research methodology to explore and identify factors, which if present, constitute and optimize a successful culturally embracing economic model for sustainable regional development. A culturally embracing economic model for sustainable regional development has emerged. The model was validated by a group of international experts in anthropology, sociology, business, regional economic development, political science and sustainable development. Its strength lies in it being a dynamics model, which affords it the flexibility and adaptability to successfully function in organizations of different types and sizes. This study encourages emerging regional economies to promote the importance of human capital development and deployment, create practices, processes, and systems that leverage human capital to create value for the stakeholders, and explore the ecological base as a necessity for sustainable development and promoting the view that it is very difficult to separate communities from their natural environment and its ability to sustain them. There is need to put in place systems that nurture ongoing relationships among actors, whom the local and regional interest groups are part of, for them to realize sustainable development for the benefit of all stakeholders. This study views culture as an interactive dynamic in economic planning for sustainable development and focuses on the role of culture and its interaction with other systems, which have been more traditional basis for looking at development models. For organizations, nation-states and region-states that plan for sustainable development, this study provides a new paradigm, one that is active and culture-centered, and cuts across disciplines.

Ruben Chitsika
School of Education
Colorado State University
Fort Collins, CO 80523
Spring, 2002

# ACKNOWLEDGEMENTS

I am most grateful to the international experts for sharing with me their experiences and expertise. Their significant contributions to this study made it unique and better than I expected.

This study is dedicated to the loving Chitsika family, friends, and relatives for their unfailing love and support. Thank you for your sacrifice and prayers. May this humble achievement inspire you all to grow, glow and glitter. To my parents, Obert and Vaida, thank you for guiding and blessing me. To Maybe, Joshua Manenji and Nhumeyashe, I miss you all.

I am proud to be associated with Dr. Gary Geroy my advisor throughout my studies for his outstanding expert guidance. What a wonderful experience it was for me to go through your scholarly and professional advice. Thank you for your caring heart.

I am most privileged to have worked with a very supportive advising committee of outstanding scholars. Thank you Dr. Rick L. Edgeman, Dr. James Banning, and Dr. Liang-Shing Fan, for enriching my academic experiences at Colorado State University. Thank you for your continuous example of scholarship and friendship.

To my fellow students and colleagues, meeting with you has been a great opportunity. My experiences with you inspire me in many ways. I wish you the best in life.

To Marvin and family, your personal sacrifice humbles me. It's a dream come true. This would never have been so were it not for you. I shall live to cherish your love for me. God bless you.

I am very thankful to Professor L. Barrows, for editing this dissertation. Thank you for your time, professionalism and friendship.

Finally, I am most grateful to God for everything He has done and continues to do for me.

TABLE OF CONTENTS

# CHAPTER 1: INTRODUCTION

## The Problem And The Question

Emerging economies constitute the major growth opportunity in the evolving economic order. Their potential has already effected a shift in multinational corporations, which now customarily highlight emerging economies investments when communicating with shareholders (Arnold and Queich, 1998). Emerging economies are indeed the new frontier, but like all frontiers they present a mix of opportunities and risks. The gross domestic product (GDP) of the large emerging economies has been increasing by factors of two to three (Garten, 2000) more rapidly than that of developed countries.

The world is entering a period of perhaps unprecedented discontinuity. Businesses grounded in the old model will become obsolete and die. The world may not yet know exactly what those businesses will look like, but it must be willing to speculate, because it cannot avoid addressing the long horizon of socio-economic sustainability (Edgeman, Geroy, and Chitsika, 2001; Garten, 2000; Magretta, 2000).

Economic sustainability is grounded in the precepts of the laws of nature-physics, chemistry, and biology-and the recognition that the world is a closed system (Edgeman et al, 2001). What we once thought was boundless, we now realize has limits, and these limits are emerging as definable influences. These influences are going to impact fundamental economics, and what are the attendant socially acceptable norms and behaviors. Without understanding and planning, incongruence may occur which could be overwhelming – putting the world at the mercy of dynamics rather than in symbiotic partnership with them.

Magretta's (2000) view is that the market is going to demand fluid and enduring systems, and sustainable development is going to be one of the organizing principles around which the emerging economies will probably define themselves in the years to come.

## The Problem Statement

The problem for this study is to develop and examine for face validity, a culturally embracing economic model for sustainable regional development. Face validity is a judgment concerning how relevant the theory appears to be. Of critical importance is an exploration of existing economic development models, and examination of specific cases with a view to exploring how cultural imperatives can address the challenges to achieving sustainable development of emerging regional economies.

## Emerging Economies

Emerging economies represent undeniable commercial opportunities (Garten, 2000). In moving, simultaneously, toward open political and economic systems, emerging economies may be moving to yet uncharted and potentially precarious ground. The prevailing optimistic view of what will happen in key emerging economies may be underestimating the impact of critical variables at play. No one can predict exactly how economies and regimes will develop. For example, the emergence of so many capitalist economies within a few years is unprecedented and holds great opportunities-as well as risks. When it comes to the future of emerging economies, however, concerns are emerging and the penalty for not addressing them may be severe (Garten, 2000).

Most analysts define an emerging market economy according to such characteristics as size, growth rate, or how recently it has opened up to the global economy. Fenwick (2001) gives three core characteristics of an emerging economy. These are the levels of economic development, economic growth and market performance. The GDP serves as an indicator of economic development. It provides a picture of the wealth of the people, their status in relation to the size of the their middle class and the level of activity in their industry or service sectors. But the problem of GPD is that according to World Bank and United Nations criteria, China, India and Vietnam fall into the lowest class even though they represent emerging markets. Fenwick suggests that economic growth should be the primary consideration for organizational thinking about expansion; however, the sustainability of high growth rates is an issue, particularly in view of the East Asian crises after achieving double digits growth rates. Crisis stalled the economic growth of Russia and Brazil from 1997 to 1999, and Argentina in 2001, after they had undergone economic growth.

Garten (2000) views, as the most important criterion, how well an economy helps buyers and sellers come together. Ideally, every economy should provide a range of institutions in order to facilitate the functioning of markets, but emerging economies frequently fall short in a number of ways.

According to Garten (2000) there are three main sources of market failure. These are:

i. Information problems - Buyers, employers and investors need reliable information to assess the goods and services that they will purchase and the investments they make. Without adequate information, they are reluctant to do business.

ii. Misguided regulations - When regulators place political goals over economic efficiency, they distort the functioning of markets, for example restrictions to lay off workers.

iii. Inefficient judiciary systems - Markets depend on judicial systems that are strong enough to enforce contracts in a reliable and predictable way.

## The Current State of The Dominant Models

The 1980s witnessed the introduction and widespread adoption by international development agencies of an approach to the practice of emerging economies known as the "Washington Consensus". Basically, the approach recommended that governments should reform their policies and in particular: (i) pursue macroeconomic stability by controlling inflation and reducing fiscal deficits; (ii) open their economies to the rest of the world through trade and capital account liberalization; and (iii) liberalize product and factor economies through privatization and deregulation (Gore, 2000). While the Washington Consensus reflects a paradigm shift, a further paradigm shift was called for as a result of development thinking in the 1990s and in the light of the East Asian financial crisis and recent attempts to factor a "post-Washington Consensus".

As Kuhn puts it, when paradigms change, there are significant changes in the "methods, problem-field, and standards of solution" which are accepted by a community of practitioners (Kuhn, 1970, p. 103). Kuhn further observes that the proponents of competing paradigms articulate and practice their philosophies in different worlds and see different things when they look from the same point in the same direction. This constant dynamic becomes a variable in the evolution of a culturally embracing regional emergent economic model. As Gore (2000) observes, what matters is not simply the substantive differences with earlier approaches, but also the nature of the change in the disciplinary matrix and world-view.

Since the late 1980s two important challenges to the Washington Consensus have been developed (Gore, 2000). The first is the sustainable human development (SHD) approach of the United Nations Development Program. This approach is people-centered. It views the improvement in the people's lives as the ultimate test of development practice, unlike the Washington Consensus that is top-down, and donor-conditionality-driven and outside-expert-led.

The second challenge is a latent "Southern Consensus" which is founded on analyses made from the perspective of countries undergoing late industrialization and seeking to catch up with wealthier countries. This approach views the process of growth and structural change as best achieved through strategic integration of the national economy into the international economy. It also views growth and structural change as best promoted through macroeconomic policy, which emphasizes final demand over market development policy. The successful implementation of policies requires government-business cooperation within the framework of a pragmatic development. The distribution and quality management of resource and system efforts are optimized in order to ensure the legitimacy of the overall growth process. In this regard, regional integration and cooperation policies are critical to strategic integration.

The financial crisis in East Asia is significant for its influence on the future directions in development thinking and practice. Economic growth has fallen in emerging economies, and there is now increasing reason to call into question the effectiveness of dominant policies (Gore, 2000). Kuhn (1970) argues that the questioning of a paradigm begins when anomalies arise between paradigmatic expectations and actual events, and shows that numerous ad hoc modifications typically are made to maintain an old paradigm before accumulations of anomalies require, and the availability of a superior alternative paradigm enables a paradigm shift.

Maiteny (2000) introduces new dimensions that seem very critical for sustainable development. He argues that a sustainable future depends on systematic and constant changes in human behavior, i. .e., by persons, and that these behavioral changes depend, in turn, on meaning and conviction, as much as it depends on structural changes in society. A behavior that changes solely in response to incentives and regulation is less likely to be long-lasting than that which is experienced as an imperative. Facilitating structures are therefore needed to support individuals in putting their convictions into practice. If these are lacking, frustration results.

Much behavior is driven by experience and a resulting desire to make things better, for one's self and maybe for others. This search for well-being is understood and guided to a large extent through beliefs, values, ideologies, religions, myths, and theories that are deemed valid according to norms in society (Maiteny, 2000).

Resulting lifestyles have socio-ecological and personal impacts. They are also culturally framed and defined expressions of desire for well-being. Therefore, fulfillment-seeking through consumerism and material accumulation clearly has a high ecological and social impact, while activities such as: learning, personal development and community work have less impact. Such change becomes possible when individuals start ascribing and internalizing meaning and value to low-impact activities, or non-economical wealth to the extent that they have feel that they have no options but to act on their convictions (von Weizsacker, Lovins & Hunter, 1997). Without true change in the individual's value structure, old habits and aspirations are suppressed and can emerge later-with all the ecological and social knock-on effects such emergence can entail, thereby making sustainability an unrealized dream.

## Sustainable Development

Sustainable development is regarded as development that meets the needs of the present without compromising the ability of the future generations to meet their own needs (Nash, 2001; De Kadt, 1997). This definition raises two critical issues. The first one is the concept of "needs", in particular, the essential needs of the world's poor, to which overriding priority should be given; and the second one is the idea of limitations owing to the state of technology and social organization and to the environmental ability to meet present and future needs (De Kadt, 1997 p.1). In this regard, the goals of social and economic development must be defined in terms of sustainability in all emerging markets, be they market-oriented or centrally planned. While the interpretations of sustainability may vary, they must share certain general features and must flow from a consensus on the basic concept of sustainable development and on a wide strategic framework for achieving it (De Kadt, 1997; Nash, 2001). This definition leads to the question: Why do emerging economies need to address this issue? What is the range of measures and initiatives that might be appropriate for an emerging economy?

The success or failure of regional integration in emerging economies can be predicated by the extent to which it enhances the welfare of the people. Therefore, the main challenge facing regional emerging economies is sustainable development and reducing the endemic levels of poverty. These dynamics in essence present a socio-economic development challenge. Therefore, regional emerging economies should go beyond simply the achievement of macroeconomic stability and achieving convergence criteria as such critical reflections must address the human dimension factor in classical economic thinking. In general terms, convergence can be defined as the narrowing of international differences in the development of certain economic variables, for example, inflation rates. If regional integration brings about accelerated growth with an equitable distribution of income in the sub-region, then we can say that it is successful. Civil conflicts and strife, poor governance, and lack of accountability and transparency all add up to undermine efforts to reduce poverty, diminishing the international profile and business and investor confidence in the region. Political instability can direct attention away from economic integration initiatives. Regional integration goes beyond economic policies. It requires political support and cooperation. Non-cooperation has political ramification just as political cooperation and non-cooperation have consequential economic implications.

Regional nation-states have embraced economic co-operation and regional integration as part of a strategy for structural transformation of their economies. The success of the plans for economic and political integration depends upon the degree of economic convergence of the national economies. Although economic integration is not a panacea for all economic ills, there are many convincing reasons for supposing that significant economic benefits may be derived from properly constituted arrangements for human dimension in economic integration.

## Cultural Imperatives

Among factors commonly used to explain differences in development among and within nations, culture is pointedly absent. The increased globalization of the modern world, however, prompts questions about the role of the depth and persistence of cultural differences: culture as an influence on developing and sustaining performance excellence processes and cultural durability in the face of economic change and cross-cultural political-economic contact. A debate centering on whether or not some culture's variables produce more innovative and entrepreneurial behavior than others may be timely in order to understand successful planning, implementation, and outcome success (Chitsika, Geroy and Edgeman, 2001). Although fully developed by this research, this notion is not new, having been proposed as a minority notion by Baunol (1990).

### Culture Defined

Jennings (2001) defines culture as the prevailing values, attitudes, beliefs, and underlying assumptions about life held by majority or minority groups in society. Hall (1973) suggests that culture is related to the ways in which societies organize social behavior and knowledge. Kluckhohn and Strodtbeck (1961) argue that a national culture is a fairly consistent set of value orientations developed in response to the fact that there are a limited number of common societal problems with a limited number of responses. Hofstede (1980) suggests that culture is the interactive aggregate of common characteristics that influence the response of a human group to its environment.

### Dimensions of culture

This research uses Hofstede's (1980) four dimensions of culture as a framework for considering issues such as:

i power distance - management of inequality between people;

ii individualism - the relationship between individuals and collectives;

iii uncertainty avoidance - stance toward the future;

iv materialism - the degree to which material rather than spiritual ends are pursued.

Hofstede suggests that shared values endure over time and are fairly consistent within cultures because of institutionalization. The practices, structures, and routines through which culture is institutionalized is the "consequences" of that culture. Consequences are created and reinforced by the underlying conditions. Taken together, the system of value orientation and their consequences represent singular and enduring national characteristics. The shortcoming of Hofstede's framework may be his tendency to oversimplify the complexities within a "national culture."

McGrath, MacMillan and Yang's (1992) study on enduring or malleable characteristics of culture suggested several issues concerning the individualism/ collectivism dimension of culture. Collectivist values are generally highly enduring in that 50 years of exposure to very different ideologies has done very little to break down the traditional collectivist Chinese culture. On power distance, they found that the power distance, they found that the power distance dimension is more malleable and can shift in the face of ideological pressures. Taiwanese have moved away from Chinese values in the direction of the values of egalitarian democracies. The uncertainty avoidance facet of culture has evolved into the dynamic Confucianism. Attitudes towards work were more enduring. The study also suggests that when political and social interventions are considered, some values may shift with time.

Geroy, Jankovich, Hyden and Wright (1997), make a case that economic development strategies are most successful and enduring when associated political and social cross-cultural interventions provide strong consideration for the cultural dimensions of both the target and provider cultures in the planning and implementation processes. They suggest that caution should be exercised not to implement models created for the economic development of one culture, for the economic development of another. This idea suggests that culturally embracing performance excellence processes attendant to these actions are critical to optimizing potential for sustained economic excellence. What then is performance excellence? Whatever the ultimate answer is, it will be influenced by cultural context and reflect culturally dependent norms and values.

## Performance Excellence

Is there anything more important to the prosperity of a developing nation than sustainable excellence that is grounded in innovative performance excellence strategies? One means by which emerging economies can increase their trade activities and develop a basis is to improve and sustain the quality of their products and services. On performance excellence, Drucker (1999) advises that leaders should take leadership “outside the walls”, and accept that other institutions in the community have different values that have to be respected.

According to Bazzotta (1997) there are five common practices that guide performance excellence: (i) clarity of purpose and direction; (ii) ensuring that people have what it takes; (iii) developing and enabling people; (iv) helping people to stay on track; (v), nurturing a trusting environment. Trust is essential not only to improve performance but to sustain it during turbulent times. Trust cannot be coerced. The best which leaders can do is to create and nurture a trusting environment (Bazzotta, 1997). However, all will fail if human dimensions of economic imperatives are not fully considered and integrated through the utilization of culturally embracing regional emergent economic planning models.

## Research Question

The study will be guided by the following research question: What critical factors, if present, constitute and optimize a successful a culturally embracing economic model for sustainable regional development?

## Significance of the study

The study will contribute to the field of human resource development by providing new insights into the human dimensions of economic development planning and the imperatives associated with this consideration. This objective is achieved through a description of the process elements and process characteristics that need to be present in planning for the development of successful emerging economies. Finally, this study addresses the balance between economic mandates and cultural imperatives by addressing the realities of emerging economies.

The study will provide insight for emerging economies and development agencies on issues related to sustainable development, performance excellence and accountability. It will provide insight into economic growth and strategic planning and achieving cultural congruency. It will contribute to the field of regional integration by describing how patterns for alliance building.

The next chapter examines the literature related to the synergies associated with development patterns for alliance building in regional economies, economic development model, and strategic planning for regional economic development.

## CHAPTER 2: LITERATURE REVIEW

### Introduction

The purpose of the study is to develop and examine for face validity, a culturally embracing economic model for sustainable regional development. This chapter examines the literature related to the synergies associated with development of patterns for alliance building in emerging regional economies, economic development models and strategic planning for regional economic development as illustrated in Figure 1.

| Alliance Building | Economic Development Models | Strategic Planning |
|---|---|---|
| ⇩ | ⇩ | ⇩ |
| Regionalism | Meaning of development | Meaning of Strategic Planning |
| ⇩ | ⇩ | ⇩ |
| Social constructivism | Development Philosophies/ Theories | Justification for Strategic Planning |
| ⇩ | ⇩ | ⇩ |
| Political reality | Current Dominant Models | Environmental Scanning |
| ⇩ | ⇩ | ⇩ |
| Dependency structure | Development Policy Analysis | Strategic Planning in Practice |

Figure 1. Domains examined in literature related to the synergies for regional economic development

## Development Of Patterns For Alliance Building In Emerging Regional Economies

As we examine regionalism we must acknowledge that regionalism emerges built on several factors. They include, regionalism as an ideology, social constructivism, political ideology (reality), dependency structure (level and type of dependency) and structural influences (environmental influences). What makes regionalism emerge is the strength of patterns that hold these factors together. These patterns may take different forms and may have different strengths. For enduring regional economic development spider-web patterns that are fluid-strong rather than static-strong would be more ideal.

### Regionalism

Regionalism has been brought back into international studies after some time of almost complete neglect (Breslin and Higgott, 2000; Hettne and Soderbaum, 2000). In part this was a reflection of the resurgence in the late 1980s and early 1990s of a number of regional projects for example the creation of the North American Free Trade Area (NAFTA), the growing assertiveness of the Association of Southeast Asian Nations (ASEAN), the birth of Asia Pacific Economic Cooperation (APEC), the move by the European Community (EC) to secure the Single Integrated Market, and the prospects of regional cooperation in Africa via Southern African Development Community (SADC) (Breslin and Higgott, 2000). The new regionalism seems to have emerged in the context of the comprehensive transformation of the global system and seems to be a worldwide phenomenon. Hettne and Soderbaum (2000) and Knapp (1994) agree that the new regionalism is linked with domestic factors, sometimes challenging the nation-state while at times strengthening it. Thus the new trend of regionalism seems to be a complex process of change, involving state actors as well as non-state actors, and occurring as a result of global, regional, national and local forces. These processes and actors interact at the various levels and their dominance and importance differ in time and space.

Cohen (1993) gives two views on regionalism. The first view sees regionalism as leading to fragmentation of markets and countries, and possibly the creation of hostile trade blocs in some cases along tribal or ethnic lines. But tribalism does not provide a good framework for understanding regionalism in North America and Western Europe. However, ethnicity seems to count. For example in Scotland, Bavaria Northern Italy or Quebec, ethnic interests tend to align with economic interests. One could argue that economic interests create regional identity even without ethnic identity. Close to Cohen's (1993) first view on regionalism, is the idea by Breslin and Higgott (2000), that regional governance is perhaps increasingly seen as an attempt to deflect dominant ideologies, economic preferences and, interests, of the West that are perceived to be embodied in the philosophies and actions of financial institutions like the International Monetary Fund and World Bank. Cohen's (1993) second view sees regionalism as a desperately needed source of dynamism in today's global economy, and that inhibitions to further economic integration may be overcome at regional levels.

Regionalism And Regionalization Defined

Regionalism is usually associated with a program (ideology) and strategy and may lead to formal institution building while regionalization denotes the process that leads to patterns of cooperation, integration, complementarity and convergence within a cross-national geographical space (Breslin & Higgott, 2000; Hettne & Soderbaum, 2000; Knapp, 1994). Breslin and Higgott suggest that regionalization are those processes of integration which are seldom affected by state policies and derive their force from markets, private trade and investment flows, and from the policies and decisions of companies, rather than predetermined plans of national or local government. This study seeks to understand the various dimensions and contexts of regionalization, and to compare situations. In the process we would like to learn more about the "whys" and the "hows" of regionalism, and how regionalization is socially factored. We now explore how patterns for alliance building develop.

## Social Constructivism

In an attempt to lay a foundation for our understanding of how patterns for alliance building develop we briefly explore social constructivism. The interactive variables that lead to the emergence of a Situated Regional Social Constructivism Model are illustrated in Figure 2.

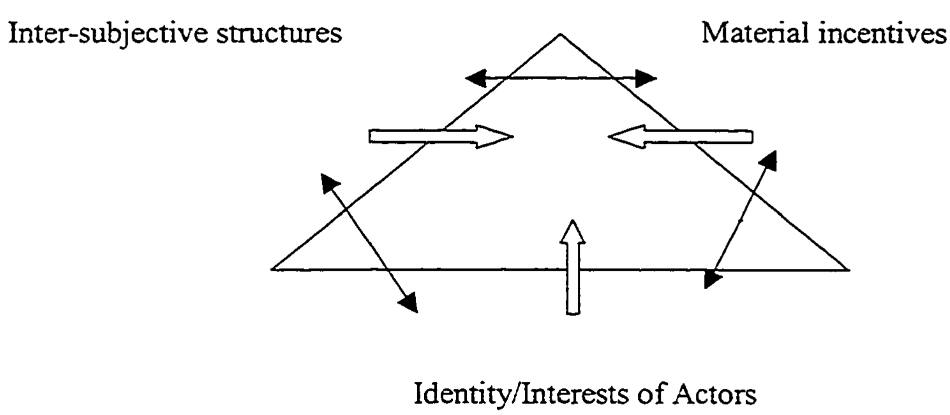


Figure 2. Critical Interactive variables leading to the creation of a Situated Regional Social Constructivism Model (Chitsika, 2002)

Social constructivism provides a theoretically rich and promising way of conceptualizing the interaction between material incentives, inter-subjective structures, and the identity and the interests of the actors (Cosio, 1998; Flynn and Farrell, 1999;

Hettne and Soderbaum, 2000). Constructivists emphasize the importance of shared knowledge, learning, ideational forces, and normative and institutional structures. This could help in understanding which interests and identities change over time and could lead to the emergence of new forms of cooperation and community. Social constructivism represents a sociological approach to systemic theory, which in turn is based on the argument that political communities are not exogenously given, but rather factored by historically contingent interactions. The relevance of social constructivism is that regions are social constructions, which means that to observe and describe regionalization is also to participate in the factorion of regions (Hettne and Soderbaum, 2000). If there are no given regions, one could argue that there are no given regionalist interests, instead any regionalist interests and identities seem to emerge in the process of interaction and inter-subjective understanding.

## Political Realities

According to Hettne and Soderbaum (2000) "... no interaction is possible without some shared interests to start with" (p. 460). For example in the Caspian region, two emerging blocs, Azerbaijan and Georgia, feeling threatened by Russia, have sought to guarantee their independence from Russia by aligning themselves with Turkey and the US. In addition, their alliance with Turkey was partly due to their cultural and linguistic links to Turkey. Turkey quickly recognized the independence of these nation-states and promised aid and investment in the region. To stem this decline in its influence over the South Caucasus, Russia has deepened its informal partnership with Iran and Armenia, each of which has its own reasons for cooperating with Moscow. The coalescence of these states into blocs has prevented the emergence of anything resembling a geo-political equilibrium in and around the Caucasus. These trends could hold seeds for confrontation in the region-one in which Turkey would be centrally and inevitably involved. The presence of the then two world superpowers the US and Russia, on either side of the groupings raises a lot of interest with regards to how politics of development evolve in this region, and what implications all this has on regionalism and regionalization across the globe. Another key issue, Azerbaijan and Georgia sought to guarantee their independence from Russia by aligning themselves with Turkey and the US, but what were the trade-offs and their implications for development?

Ruseckas (2000) argues that Turkey's engagement in the post-Soviet Eurasia has brought substantial benefit to the Turkish's economy, and the rise in economic links between Russia and the Caspian states seems likely in view of the fact that Turkey could realize further economic benefit through trade and investment. That could help ease the tension in the region's geo-political climate.

The chief area of geo-political contention is also the one that holds the greatest prospect for regional economic benefit-the energy sector (Ruseckas, 2000). Turkey depends on Russia and the Caspian region for natural gas it needs to support rapid economic growth. The energy development in the Caspian region was seen as a shortcut to prosperity and stability. Large inflows of capital were realized in the region. US engagement in the region grew and this was associated with the normal motivations of international politics, power, prestige and influence (Ruseckas, 2000). The vacuum created by the collapse of the Soviet Union, at the end of 1991 could have facilitated growth of the US engagement. The chances of a confrontation that initially seemed inevitable in the region are getting slim in view of the stronger trade links between the member states like Russia and Turkey. This augurs well for development in the region.

A big lesson from the Caspian region for emerging regional economies could be the ability of the nation-states and region-states to determine when political efficiency overrides economic efficiency, and vice versa. The presence of two world superpowers in the region could have prompted cautious strategic moves to avert confrontation that initially seemed inevitable. All this demonstrates how political realities influence regionalism and regionalization.

> The concept of 'region' is obviously fundamental to regional analysis. The main task of identifying regions implies making judgments about the degree to which a particular area in various respects constitutes a distinct entity, which can be distinguished as a relatively coherent territorial subsystem (in contrast with non-territorial subsystems) from the rest of the global system" (Hettne and Soderbaum, 2000, p.461).

Two critical issues are raised in this quote. These are 'distinct entity' and 'territorial subsystem' in which regionalism and regionalization are rooted. Hettne and Soderbaum (2000) examine regionalization in terms of 'regionness', that is the process whereby a geographical area is transformed from a passive object to an active subject that is capable of articulating the transnational interests of the emerging region. Regionalization may proceed unevenly along various dimensions of the new regionalism (for example economics, politics, culture and security). In support of this idea Knapp (1994) says the defining criteria will set the boundaries of the region. Whatever dimension regionalization may proceed along, it seems diverse ideas and processes seem to converge as the process of regionalization intensifies.

Dependency Structure

It is important to view regional organization as a second-order phenomenon, compared to the process that underlie regionalization in a particular geographical area, which could be seen as 'region in the making' (Hettne and Soderbaum, 2000). Hettne and Soderbaum (2000) identify five phases in such a process of becoming. The first phase is the regional space, which is based on the notion that a region is firmly rooted in territorial space with people sharing some cultural values and common bonds of social order forged by history.

The second phase is the regional complex (Hettne and Soderbaum, 2000), which is based on the idea that increased social contacts and transactions of interdependence between previous more isolated groups lead to the creation of a social system-facilitating some sort of regionness. Knapp (1994) who says every community reaches a point where it realizes that cooperation is required from surrounding communities or other political entities-that is the impetus for regionalization shares similar views.

The third phase is the regional society, which is based on the idea that when nation-states relax their 'inward-orientedness' and become more open to external relations, the degree of transnational contact may increase (Hettne and Soderbaum, 2000). This seems to be a critical level in that crucial regionalization process develops and intensifies because a number of different actors apart from state appear on different social levels and move towards transcendence of national space making use of a more rule-based pattern of relations.

> The dynamics at this state imply the emergence of a variety of processes of communication and interaction between multitude of state and nonstate actors and along several dimensions, economic as well as political and cultural, i.e. multidimensional regionalization. The rise in the intensity, scope and width of

> regionalization may come about through formalized regional cooperation or more spontaneously (Hettne and Soderbaum, 2000, p. 464).

In support of the move towards transcendence of national space, Breslin and Higgott (2000) emphasize the salience of the external or exogenous factor-the identification of "the other" in region building.

In the context of regionalization and the complex interplay of state-market-society relations, nation-states undergo major restructuring, and they end up as semi-independent parts of larger regional societies (Hettne and Soderbaum, 2000). The idea of restructuring is echoed by Cohen (1993, p. 28):

> Old-country-based corporate organizations are breaking down, and new management systems based on highly integrated sourcing, development, production, and marketing systems now are emerging. ... The complex, cross-border networks now emerging as a result of corporate restructuring erode national borders and the capacity of central governments to manage national economies.

This leads to a new structure of multilevel governance where the region is one level. It is important to note that the semi-independent parts (micro-regions) are related to macro-regions in that the larger regionalization (and globalization) processes create possibilities for smaller economically dynamic sub-national or transnational regions to get direct access to the larger regional economic system. This could be through bypassing the nation-state and the national capital, sometimes even as an alternative or in opposition to the challenged state and formal state-led regionalism. This may lead to the emergence of development corridors, growth polygons, spatial development, growth triangle and cross-border regions. To this effect Breslin and Higgott (2000, p. 345) say

> ... we need to think about the increasing importance of the emergence of sub-national and cross-national economic (if not yet political or social) space. Where

> economic regionalisation is occurring, it is often at the sub-national level-across the Franco-Spanish border, along the Maputo corridor, across the USA-Mexico border, across the Yellow Sea ....

This seems to be in agreement with Cohen's (1993) idea that micro-regions may serve as laboratories for experimentation in trade and investment policy liberalization-and support, not diminish globalization by becoming increasing, active, and important players in the new international arena. It is important to note that sovereign boundary demarcation is not automatically a guide to the parameters of economic interaction.

Some of the initiatives could be state-led while others could be private sector-led and market driven. Cohen (1993) argues that while the underlying thrust for regionalism within countries is powerful, efforts to institutionalize these developments seem far tentative and uncertain. But in some industrial countries like Canada, there is government's commitment to create a number of provincial clusters of excellence. In order to regionalize further, the diversity of processes at various levels (macro-micro) and in various sectors, must to a large extent, be mutually reinforcing and evolve in a complementary rather than competitive direction. Similarly Donner and Hershberg (1999) say literature on economic development is increasingly cognizant of the importance of local and regional networks for economic success but it pays little attention to the role of sub-national institutions or policies in fostering these processes. The emergence of local and regional interest groups in establishing new policymaking institutions or creating new channels of political representation is realized worldwide. This prompts the need to explore these political reforms in the context of changes associated with the dynamics of economic development in the era of globalization.

Improvement in production processes is the outcome of a social process, of repeated exchanges among a variety of actors engaged in ongoing, and mutually beneficial relationship. In the past the state could do its part in fostering technological advance by subsidizing on the cost of purchasing technology. Today it must find ways to nurture ongoing relationships among actors who, by exchanging information through economic networks, generate the capacity for constant improvement in production process (Donner and Hershberg, 1999). This shows the importance of collaboration, relationships, networks, and knowledge power and these are not necessarily confined within nation-state boundaries. This leads us to the fourth phase.

The fourth phase is the regional community and is whereby the region turns into an active subject with a distinct identity, institutionalized or informal actor capability, legitimacy and structure of decision-making in relation with a more or less regional civil society, transcending the old state borders (Hettne and Soderbaum, 2000). This suggests a convergence and compatibility of ideas, values, norms, identities, organizations and processes within a particular region. In support of this idea Flynn and Farrell (1999) say:

> The role of norms in the international realm has been the subject of heated debate. Neorealist maintain that norms simply codify relations that materialize in material conditions, where as neoliberalists and constructivists argue that norms can have autonomous power in forming state interests. Neoliberals use a rationalist cost-benefit logic to argue that states develop norms to facilitate cooperation in order to minimize transaction costs or to maximize utility. Constructivists use a social logic based on the notion that agent and structure are mutually constitutive to argue that states develop norms to provide structure to their relations and that these norms help constitute the identity and interests of states by creating standards of appropriate behavior (p. 506).

Constructivists have sought to broaden the consideration of norms by including their constitutive dimension, that is, how norms define not only the terms of international action but also the actors. Nation-states seem to strike some social bargains to regulate their interaction. They also address the issue of collective identity, which involves elements that define what it is to be a state actor on the international stage. In support of the idea of collective identity Breslin and Higgott (2000) talk of the need for the presence of a sense of community at some defined regional level-seen as the issue of "we ness". Constructivists have ended up seeking to demonstrate that norms as elements of structure (alongside material conditions) can determine the interests and identity of agents, rather than seeking to locate the power of norms in the process where they are created. At that level action is not expected to occur without collective legitimating because in the absence of that legitimating, the action is likely to violate other legitimated norms and call forth counteraction. In Europe, collective intervention has required a revision of the normative framework of European interstate relations (Flynn and Farrell, 1999). Europe is witnessing the emergence of an order that has significantly corroded the boundaries between the national and the international, not due to global market forces, but to the choices of states themselves (Flynn and Farrell, 1999).

Cosio (1998) observes that regionalization is dynamic and it involves many social actors who define, negotiate and thereby factor those problems. Therefore such problems are considered to be the product of contentious action related to particular knowledge bases that by themselves are also strictly related to distinctive contexts (historical, geographical, issue related and class based). Furthermore, social constructivists argue that the public's perception of the problems does not always reflect the reality but the particular views of scientific experts and politicians or the political submission to local and global economic interests. There is therefore constant struggle between various actors/factors for the redefinition of environmental problems and this struggle becomes an important source of political and socioeconomic transformation that may help in the advancement of a successful policy. This shows the need for a collective action.

Therefore the effectiveness of strategies adopted to address the perceived problems is dependent upon the characteristics of such actors and their influence upon the constitutive elements of a determined strategy. There is need to examine the relationship between the given set of constitutive elements or categories (starting points, agency dynamics, structural framework conditions, and situative contexts), and the contextual forces (time and space determinants) operating upon them. There is also need for institutional responsiveness. "Individuals (i.e. agency dynamics) do have an element of free choice in what they do, but they are also institutionally conditioned in what is right or wrong, what is possible and what is not possible; what is legitimate and what is plainly unacceptable in a modern society (Giddens, 1996, p.8-11). Institutions constitute and legitimize the political actors and provide them with consistent behavioral rules, conceptions of reality, and standards of assessment. In the final analysis it seems more important to understand the relationships in the overall processes of dependence and interdependence for the actors.

For enduring development to be realized there is need for regional mechanism that can offset the polarization effects inherent in the market and ensure social security, regional balance and welfare with similar functions as in the old states. This could lay a strong foundation for micro-regions to flourish and become a permanent feature of the larger region, thus contributing to the diversity and increasing level of cross border relations within the macro-region. A dense pattern of micro-regions could emerge and as these become more dynamic and stronger, they also contribute to increased relations between various micro-regions, operating within the vision of the larger region (Cohen, 1993; Knapp, 1994; Hettne and Soderbaum, 2000). At that level, a regional identity would have emerged and there is mutual trust driven by social learning (Hettne and Soderbaum, 2000). Commenting on micro-regions, Breslin and Higgott (2000) observe increased importance of sub-national and cross-national economic (could also be political or social) space. For example, across the Franco-Spanish border, along the Maputo corridor, across the USA-Mexico border, across the Yellow Sea, the Mexico-Tijuana micro-region exists alongside NAFTA-its development facilitated by the creation of NAFTA, and micro regionalism between France and Spain facilitated by the higher level of regionalism in the EU

For regionalization to be successful, a certain degree of compatibility of culture, identity and fundamental values is necessary. The defining element is the multidimensional and voluntary quality of regional interaction and societal characteristics indicating an emerging regional community (Hettne and Soderbaum, 2000). Some examples are the Nordic countries, North America, and the original members of ASEAN. However, the community spirit may be negatively affected by opportunistic and politically motivated inclusions of unprepared members for example the cooptation of the Democratic Republic of Congo (DRC) into the SADC. In such cases the formal region could have acted without regard for the real region, which may hamper the regionalization process (Hettne and Soderbaum, 2000, p.467). The cooptation of the DRC into the SADC could explain the current dilemmas within the SADC.

The fifth phase is the region-state (Hettne and Soderbaum, 2000), where in terms of political order, constitutes a voluntary evolution of a group of formerly sovereign national communities into a new form of political entity where sovereignty is pooled for the best of all and which is democratic. Homogenization within a region does not imply cultural standardization in accordance with specific ethnic model, but rather suggests compatibility between differences within a pluralist culture. At this level authority, power and decision-making are decentralized to the local, micro-regional, national and macro-regional/supranational levels (Hettne and Soderbaum, 2000, Knapp, 1994). While sovereignty is pooled for the best of all, there are possible problems that have to do with collective decision-making because of the anti-pluralist, centralist, and regime-building tendencies of many national politicians (Breslin and Higgott, 2000). This shows the importance of domestic politics in regionalism and regionalization. Domestic political logic, may, in a range of circumstances override efficiency, thereby showing that questions of norms, identity and culture have become increasingly salient as constructivists suggest (Breslin and Higgott, 2000). From a collective identity perspective, it is also important to take cognizance of the possible presence of conscious political action of elites and their relations with other elites in regional sub-systems for common good or their own interests.

Power decentralization and localized networking play a key role in economic development. For example, in Taiwan, dense family and social network have led to the success of a distinct community of firms (Castells & Hall (1994; De Gloppers, 1995; Cheng, 1993; Hsieh, 1992). The emphasis on locale comes from De Gloppers' (1995) study of a central Taiwan city in which reputation, based on ongoing interactions with a distinct community of firms and workers, linkages that were multiple and temporary, tight networks of highly skilled subcontractors and the small kingdom mentality were key to success. Cheng (1993) posits that the Hsinchu Science Based Industrial Park- nucleus was launched as a demonstration of the small and medium enterprises' participation in development. The small and medium enterprise ability to co-opt locale interests posed a threat to high capitalists-export oriented enterprises. Tight networks with school, regional and workplace affiliations emerged. The project got more local support because it focused on local needs and capacities. Decentralized anti-poverty policies were adopted to suit the local context. It became evident that coordination rather than competition, among policies emanating from different levels of the state may well be a sine qua non for successful public support for innovation. Scanian (2000) highlights the importance of a mixture of academia and private enterprises as an attractive alliance. According to Scanian (2000) the linkage between National Taiwan University and the private enterprises was meant to provide guidance and administrative support for promising new business.

In commenting on the development in East Asia, Cui (1998) noted that multilateral trade among the Chinese based economies including China, Hong Kong and Taiwan have grown rapidly and provided an impetus for growth in East Asia. Economic integration among them has become so advanced that they are referred to as the Chinese Economic Area (CEA) also known as the Greater China. Many multilateral corporations have adopted the Greater China Strategy: that addresses the area as a single regional market. That promoted economic integration, cultural interaction and political reunification. Economic integration in the region was driven by the transfer of labor-intensive manufacturing operations, from Hong Kong and Taiwan to the mainland China. The relationship between Taiwan and China have been strengthened by their interdependence for example Taiwan has capital, technology and manufacturing capability, China has land, labor and market, raw materials and preferential investment policies. A common language and culture-social integration further drove the cohesiveness of the Greater China. However, a strategy suitable in Taiwan may not be suitable in China. To effectively execute regio-centric approach and integrate their operations in Greater China, multinational corporations need to examine the similarities and differences among them in such factors as macro-economic environment, consumer characteristics, marketing infrastructure and human resources. Taiwan is a burgeoning democracy, subject to the influences of the global economy and less government control.

## Structural Influences

Cameron and Stein (2000) advance four central arguments on globalization that have a bearing on regionalization. These are (1) uncertainties in the process of globalization, (2) globalization is layered and some layers get more thicker quickly than others, (3) the state remains an indispensable institution but it faces new and powerful challenges in its core mandates, (4) the state has the capacity and the opportunity to make strategic choices about its social, cultural and economic investments. Cameron and Stein (2000) argue that how the state responses when globalization is intensifying will have a significant impact on its capacity to respond should globalization stumble.

The continuing economic and political pre-eminence of the state is today no longer accepted conventional wisdom (Cameron and Stein, 2000). The state may be involuntarily retreating from its position of unchallenged control of the economic and political space within its territorial boundaries. This has implications for social contract with its citizens, for accountable governance, and for configurations of political identity. If the state stands to lose its pre-eminence as the principal focus for political identity, it may become one of the many bidding for loyalty of its members in a competitive political marketplace. Cameron and Stein (2000) argue that as globalization intensifies, control not authority, moves up and down, and out from the state. It tends to migrate to a thickening network of international institutions, some newly created and others newly strengthened. It could also leak to non-governmental organizations, multinational corporations, and international associations that work effectively outside, across, and through state borders. The reach of the state tends to be redefined in the face of global forces, and large areas of policy are no longer primarily within its control. As the reach of the government tends to contract, the "democratic deficit" over policy tends to grow and local organizations, newly vibrant, often transparent, and directly accountable to their communities tend to be increasingly empowered. In the process sub-national governments fare better in the changing landscape than do their central governments.

While the nation-state is far from being displaced as a key influence on economic activities, the world has moved from a system embedded liberalism in which the state constituted the primary provider of public goods for producers, workers and consumers to multiple providers of public goods. Donner and Hershberg (1999) argued that globalization and adaptive flexibility-markets are socially factored- markets are self-reproducing social structures among specific cliques of firms and other actors- need for various types and levels of goods and services that all firms need but particular firms are unable or unwilling to provide. Cerny (1995) observed that there is growing tension between the economic substructure and the institutional superstructure represented by the nation-state. The nation-state is being undermined from above and below. One result may be the gradual emergence of a durable shift from the nation-state to super-national institutional arrangements on one side and on the other to the re-emerging sub-national regional economies (Morales, 1995). Swyngedouw (1992) labels this a process of "glocalization". National economy is also being undermined from above as competition and the markets in which competition occurs have become more transnational.

As markets become more transnational, emerging economies may shift from import substitution toward the export of mass consumer goods via foreign direct investment. Collaboration between enterprises is needed to achieve continuous improvement, short lead times, low inventories and without increasing product cost (Reynolds, 1994). There is need for cross-border alliances-these modify the dynamics of oligopolistic competition in ways that lie increasing beyond the reach of national policymakers (Oman, 1994 p.95). The erosion of barriers to international trade seems to further undermine the capacity of individual states, to protect industries within their borders, thereby promoting regionalization.

Changing competitive pressures have highlighted forces of globalization that express themselves unevenly across space and time and the more specific utility of proximity among firms at sub-national levels. The importance of inter-firm coordination to integrate supply chains may not be under-estimated. "High road" practices rely on co-operation, quality based competition and the use of multi-skilled workers (functional flexibility) to encourage innovation. Competitiveness depends on flexibility, that is the capacity to effect innovations in products and processes. Such flexibility is facilitated by co-operation among actors (Donner and Hershberg, 1999).

Then under what circumstances are these patterns of coordination most likely to emerge and be consolidated? They could emerge under spatial proximity that facilitates division of labor; light linkages and external economies like exchange of sector specific technical information services, and research and development. The ability to generate innovation, in turn becomes a specialized asset of the locale that is reinforced by local institutions and resources (Morales, 1995). However, spatial proximity is no guarantee of successful adaptation because effective governance institutions are essential if economic factors are to take full advantage of the potential benefits of clustering. State policies and regional agencies that foster development are therefore necessary.

As the processes of globalization accelerate, the state tends to be "hollow" because its borders no longer correspond broadly to the relevant economic, cultural and social spaces. Borders tend to become more permeable and fluid, and identities multiply and reorder as structures of governance change. The disjunction is: political boundaries continue to remain largely fixed, while cultural and economic spaces are reconfiguring (Cameron and Stein, 2000). To this effect, Ekins and Newby (1998) say globalization damages a sense of social connectedness, of community, while the mismatch between economic and political realities undermines confidence in the political processes. The issue of damaging a sense of connectedness of community is very debatable. Since globalization may not involve everyone, the winners in the global competition may develop a sense of connectedness at global level while the losers feel that they are left out and therefore are likely to experience the damage to social connectedness.

Cameron and Stein (2000) warn that as economic decision-making migrates to global markets, it becomes more difficult for national governments to fulfill their traditional responsibilities to society. One major reason for this is that national financial markets tend to be weaker relative to the global financial markets with the state capacity to wield monetary and fiscal policy to lever growth and control cyclical economic downturns consequently diminished.

Nation-states and region-state find themselves confronted with the realities of globalization (Cameron and Stein, 2000). These realities are either a result of intensifying or stumbling globalization. These two dimensions of globalization tend to pose different challenges to the nation-state and the region-state. What becomes critical is how the nation-state and region-state respond to the forces of globalization. The ability of the nation-state and region-state to cope with the challenges is critical for enduring development. If processes of globalization continue to thicken, political leaders and citizens must examine and reconfigure the ground on which the legitimacy of the nation-state stands for what it claims it can do rather than for what and whom it represents.

However, the nation-state still remains the most important repository of legitimate and accountable governance.

> Whether connections among societies thicken, or globalization sputters, our analysis suggests that it will be more important than ever to hold governments accountable for their stewardship of society and to give voice to those who are excluded as well as to those who are included by current processes of globalization (Cameron and Stein, 2000, p.S32).

Ekins and Newby (1998) highlight that until people have a clear perception that they belong to a local economy, that is qualitatively different from the global economy, and that is very important to the welfare and quality of life of their locality, it is unlikely that local economic development will attract the commitment and resources to make it enduring in the face of competition from the global economy. This is a leadership challenge for nation-states.

## Summary

This section has examined the development of patterns for alliance building in regional economies. Despite the complex nature of regionalism, it seems to be a powerful organ for emerging regional economies to realize enduring economic development. The need for recognition of the critical interactive variables and processes leading to the emergence of a region-state that is capable of articulating transnational interests may not be overemphasized.

## Dominant Economic Development Models

Leaders of emerging economies and to a large extent, most international development agencies, have been eager to see gigantic industrial projects migrate from wealthier nations to emerging nations to accelerate development for their populations. However, this notion of development seem antiquated and irrelevant to poor countries with limited resources. It has little to do with building an infrastructure that will guarantee individuals in emerging economies the essential physical and mental nourishment they need to create enduring futures (Mayur and Daviss, 1998). Mayur and Daviss (1998, p. 27) comment: "Developing countries strive for mass industrialization but may find mass disappointment. A new approach is needed." An exploration of the current state of the dominant models could provide some hints on why a new approach is called for. We will start by examining the origins of modern development thought so as to provide some background knowledge to the current dominant models.

Meaning of Development

There are considerable variations in the theoretical debates and policy decisions concerning development. Some have focused on technological advancement and others have stressed social well-being. In addition to the variations on the focus, Fagerling and Saha (1997) observe that there variations on the meaning of the term "development' and the meanings tend to be clouded by political and ideological overtones. Some scholars have attempted to resolve this ambiguity in the concept of development (Fagerlind and Saha, 1997). Fletcher in Fagerling and Saha (1997) suggests there is a value-free meaning contained in the notion of development over and above the ideological and political uses of the concept. Fletcher further asserts development can mean actualization of an implicit potentiality like the patterned growth and maturation of a seed. Fletcher seems to suggest that development has definite stages. The term maturity suggests the notions of "birth"/"emergence" and "death"/"decline". The term "potentiality" suggests the notion of capacities that have to be actualized. Fargerlind and Saha (1997) agree that any change that promotes or actualizes human potential represents development in an appropriate meaning of the term. Education, in the formal sense is an essential element of the development process. The twin goals of development are national building and social economic progress.

Development can be viewed as the sustained and widely diffused improvement in material and social welfare. The desire to eliminate poverty and to distribute the benefits of industrialization generally in the society are powerful motivations to people just becoming aware of what is possible as demonstrated by the developed nations (Esman, 1966). In emerging regional economies there is need to promote synergy between traditionalists and modern elites. The traditionalists realize that the Western techniques of the modern elite may be valuable tools for maintaining their own power and that they must change lest they may be overtaken by the newly educated masses. The modern elite sees the necessity of fitting its schemes and desires into the local culture if the hoped for goals are to be achieved. There seems to be a steady synthesis of values and techniques in emerging economies (von der Mehden, 1969).

Gills, Perkins, Roemar and Snodgrass (1996) argue that economic development implies rise in per capita income and fundamental changes in the structure of the economy. Examples of changes in structure are rising share of industry, along with the falling share of agriculture, increase in people living in cities rather in rural areas. A key variable in economic development is that people of the country must be major participants in the process that bring about these changes. They are involved in the transformation process. Participation in the process implies participation in the enjoyment of the benefits as well as the production of those benefits. Development is concerned with how nation-states create institutions that facilitate development in the first place. Such institutions include educational, social, political and economical institutions because development is a product of social, cultural, and historical events. But there is no development without economic growth.

Fagerlind and Saha (1997) note that it is easy to perceive short-term changes that occur daily, but it is more difficult to perceive broader changes over a long period of time (social development). Problems of defining social development and studying it are that we may lack a macro perspective and there are difficulties in identifying the variables which contribute to it possibly due the fact that often what we identify as change may only be short-term variations in a larger trend. Or we may conclude that over a given period of time no change occurred yet when seen from a long-term perspective, considerable change has taken place. Therefore there are problems of temporal boundaries and a sufficiently macro perspective in the study of social change and development.

Consistent with Fletcher (1976) we view development as a multiple-stage/phase process that makes it possible the actualization of the human potential. This is useful in understanding and planning for enduring development for emerging regional economies.

## A Historical Analysis of Development Philosophies

Having examined the different views about development, we now turn to historical analysis of development philosophies. This section briefly examines nine development theories. These are Classical Cyclical, theories, the Enlightenment Optimism, Evolutionary theories of the 19th and 20th centuries, Structural-Functionalism, Modernization theory, Human Capital theory, Marxist theories of development, Dependency theory, and Liberation theories. For each theory we explore the main assumption(s) and the criticisms.

### Classical Cyclical Theories

The classical philosophers have a highly sophisticated view of progress and development. For example Aristotle put forward a theory of development with three basic elements (Fagerlind and Saha, 1997). The elements are growth/decay; nucleus of development, and that development is not accidental but a result of a natural process. A cyclical pattern emerges with processes like growth and decay. The development cycles are always occurring-a view held by the Romans and the Greeks. Every action has its natural periods of first growth, then of prime and then finally of decay, with everything in it at its best during the prime period.

With the emergence of Christianity as the state religion (by the 5th century) was the notion that growth and decay was a single, unique cycle that was never to be repeated. Under Christianity, the natural process was replaced by the 'will of God' (Fagerlind and Saha, 1997).

### The Enlightenment Optimism (17th and 18th Centuries)

Associated with the Renaissance was the belief in the possibility of an unlimited progress of mankind. In 1688 a French scholar, Bernard Le Bover de Fontenelle proposed what has became the modern view of development: that civilization made progress in the past, is now making progress, and will continue to make progress into the unlimited future. "The idea of unending and unlimited progress is the cornerstone of the intellectual modernism of the enlightenment which radically departed from the cyclical view of history of the classical Christian thinkers (Fagerlind and Saha, 1997, p.9). Fontenelle cited in Fagerlind and Saha (1997) argued that a good cultivated mind contains all minds of preceding centuries and there will be no end to the growth and development of human wisdom.

During Enlightenment period, a German scholar, Immanuel Kant wrote in support of the unlimited progress of mankind and noted that while the unlimited progress may be interrupted, it would never be entirely broken off or stopped. Similarly, a French writer, Condorcet, accepted the idea of unlimited progress but suggested that the continuing progress would vary in speed and would never be reversed. A different view was proposed by an Islamic scholar Ibn Khaldun who brought in the notion of conflict as a major factor in explaining development in terms of dialectic and cyclical process. By paying attention to the laws of society and social change Khaldun believed in ordered social change and did not accept the idea of randomness. Khaldun seems to suggest the idea of planned change and development.

While there are different views on Enlightenment Optimism, there seems to be consensus on the fact that Enlightenment Optimism believed in the progress of mankind.

## Evolutionary Theories of the 19th and 20th Centuries

The optimism of the Enlightenment gave way to the systematic and complex theories of change and development-evolutionary or organic theories. The evolutionary theories were based upon six assumptions about change. Change was seen as natural, directional, imminent, continuous, necessary, and proceeding through uniform causes (Fagerlind and Saha, 1997). Hegel's (cited in Fagerlind and Saha, 1997) notion of development was similar to the classical Greek and Roman thought-the existence of a latent germ of being-a capacity or potentiality striving to realize itself. Hegel echoed the idea of dialectic and proposed the ideas of idealistic-history is the result of God's will and deterministic- what has to happen has to happen. Auguste improved this position through his notion of a positivistic social science. Unlike Hegel, Comte did not put God at the center of his evolutionary theory, but viewed progress and development as stemming from the scientific achievements of men. Comte described progress in terms of the Law of Three Stages through which he thought mankind as evolving. The first stage he called Theological-where society is dominated by the priests, ruled by the military, and the family is viewed as the major social unit. The second he called Metaphysical-based upon the philosophical reasoning of men. The third and final stage toward which he saw mankind evolving was the Scientific or Positive one- to be reached by the study of nature and the use of experiments. Spencer, building upon the notion of the survival of the fittest, developed this later in the 19th century. From Comte's point of view evolution consisted mainly of moral progress and the advancement of ideas; from Spencer's point of view evolution consisted of a greater specialization and differentiation of the structure of society. Comte believed in evolution being guided by human intervention, and Spencer believed that "the survival of the fittest" should be allowed to prevail in society-the poor were poor because they were less fit and the rich were rich because they deserved to be rich. Spencer's position seems to be in line with laissez-faire political policies. Spencer's idea of survival of the fittest seems to suit the exploitative capitalist systems.

In the late 19th and early 20th centuries, this position was improved through the works of sociologists in the likes of Emile Durkheim. Their main position was society develops from a simple primitive stage to a complex modern one. From this argument, the poor non-industrial societies were seen as representing a primitive stage of evolution, while industrialized countries were associated with more complex and civilized stage. "The higher more complex societies were seen as the end-points toward which the primitive (less-developed) societies would eventually reach. However, all societies, even the advanced ones, were seen as evolving in the direction of greater progress" (Fagerlind and Saha, 1997, p.13). The activities of colonial governments and early missionary seem to have been based on the assumption that the peoples of less-developed countries were primitive, "backward", and "uncivilized", and thus needed to be assisted in their development along the same evolutionary path as traversed by their own societies.

However, the idea of same evolutionary path seems to underplay the role of contextual variations in development and seems to be an ethnocentric perspective.

In the early 20th century the evolutionary theory began to be criticized. The first criticism was that there was no basis for postulating the continuity of the historical evolution of a society. A second criticism was the evolutionary theory could not explain social anomalies, like the survival of highly traditional religious rituals in modern industrial environments. A third criticism was its assumption of linearity that was increasingly seen as untenable. The theory was seen as being able to describe the different stages but could not account for how society passes from one stage to the next. The last criticism had to do with the assumption regarding the inevitable progress of mankind in view of the World War I and World War II, which demonstrated that societies could progress as well as decline.

## Structural-Functionalism

A new theoretical orientation-Structural-Functionalism emerged in criticism of the evolutionary theory. The basic principles of structural-functionalism were: that society is a system of interrelated parts (for example-religion, family, education, political structures) and these were constantly seeking equilibrium. The interrelationship of these parts is said to occur by consensus, and pathological events or arrangements are said to produce tension. Conflict is seen as dysfunctional to social integration and equilibrium. The theory contains ideological bias in favor of status quo, thereby focusing on the static aspects of society to the neglect of change, process, conflict and dissent.

Talcott Parsons fused structural-functionalism and evolutionary theories into what is known as neo-evolutionism.

> The most important result of this fusion is that the new theory gave analytical force to the evolutionary perspective and provided structural-functionalism with means for dealing with change. In other words societies were said to evolve along an evolutionary path through the processes of integration, differentiation and reintegration, taking into account both internal and external factors." (Fargerlind and Saha, 1997, p.15).

The neo-evolutionary theory gave rise to the modernization theory (Parsons, 1966).

## Modernization Theory

Modernization theory was to some extent an intellectual response to the two world wars. Huntington cited in Fagerlind and Saha (1997) the process of modernization can be characterized as revolutionary (a dramatic shift from tradition to modern), complex (multiple causes), systematic, global (affecting all societies), phased (advance through stages), homogenizing (convergence), irreversible and progressive." (Fagerlind & Saha, 1997. p.16). An American sociologist, Alex Inkeles, developed a modernity scale to measure the extent to which members of a given society hold what are considered to be modern values. "Inkeles and his followers argue that to modernize is to develop, and that a society cannot hope to develop until the majority of its population holds modern values." (Fagerlind & Saha, 1997, p.18). This calls for human planning and setting up of institutions like schools, families and factories to facilitate the creation of modern values. Fagerlind and Saha (1997) observe that many studies have shown that education and factories employment are directly related to the acquisition of modern values. Modernization theory is based on the notion that there is a direct link between five sets of variables, namely: modernizing institutions, modern values, modern behavior, modern society and economic development.

This study accepts the idea of relationships existing between these variables, but has misgivings about the idea of causation because it is very difficult to establish. Fagerlind and Saha (1997) note that the relationship between the first two has been supported by research but the links between the others are more problematic.

Criticisms of modernization have been raised. The first concerns the causal linkages between the variables. The second one concerns the assumption that the modern values and traditional values are incompatible. Gusfield's (1967) study of Japan has shown that they are not incompatible. The third criticism concerns the assumption that modern values and behavior by individuals necessarily lead to socioeconomic development at societal level. Causal linkage does not necessarily hold because society is not simply the total of the individuals within it. The fourth criticism concerns the assumption about the end point of the modernizing process that is ideologically biased and ethnocentric.

Human Capital Theory

While sociologists were developing modernization theory, economists formulated their own theory of development that was based on the structural functional notions. The theory focused on the productive capacity of human manpower in the process of development and in so doing treated the improvement human workforce as a form of investment. It postulates that the most efficient path to the national development of any society lies in the improvement of its population-its human capital (Fagerlind and Saha, 1997). The importance of human capital development is shown by Schultz (1961) who argues that education does not only improve the individual choices available to men, but that an educated population provides the type of labor force necessary for industrial development and economic growth.

The human capital theory was criticized on some grounds. The first criticism concerns the extent to which education or other forms of human investments are directly related to improvements in occupation or income. However, it is now accepted that raising the level of education in a society can, under certain circumstance, increase the inequalities in income distribution (Blaug, 1985; Fagerlind and Saha, 1997). In the USA the contribution of the improvement of human capital to economic growth between 1919 and 1957 ranged from between 36 and 70 percent of the unexplained growth (Vaizey, 1972). However, Blaug (1985) and Vaizey (1972) warn that there are problems in measuring precisely the contribution of education to labor quality.

Marxist Theories of Development

The evolutionary and structural functional theories seem to underplay the role of conflict in change and development. For Marx the major agent of social change is the economic structure of society. As the working class realizes its exploited condition by the capitalist owners of production, the conflict of interests between classes emerges, giving rise to revolution and thus major structural change. It is this inevitable transition that Marx saw as part of a necessary process of development and progress (Melotti, 1977). Melotti (1977) suggests that for a Marx's program of development the two essential components are mass literacy and ideological consciousness through which the exploited masses are made aware of their exploited situation. However, Marx's concepts for development theory are difficult to apply in emerging economies where classes are not well defined. The Marxist perspective on development became the basis for emergence of the current dominant general theory of development-the dependency theory.

## Dependency Theory

The dependency focuses on the relationships both between and within societies in regards to social, political, cultural and economic structures. Its main assumption is that development and underdevelopment are relational concepts within and between societies that are inversely related.

> The underdevelopment of a region or a society is seen as a process that is linked to the development of another region or an outside society. The term dependency is used to emphasize that the causal relationship between the development of central or metropole societies and the underdevelopment of peripheral or satellite societies is an historical and at least indirectly an intentional process (Fagerlind and Saha, 1997, p.22).

Baran cited in Fagerlind and Saha (1997) saw the underdevelopment in the poor countries as caused by capitalism in the Western world. While the notion is true in some cases, this seems to be over-generalized because countries have some capacity to generate some level of development and some policies adopted by certain countries may lead to underdevelopment. For example in the DRC, poverty and underdevelopment are strongly associated with the dictatorial rule of the late Mobutu who was a native of the DRC. Dependency theory may be seen as the obverse of the theory of imperialism that concentrates on the domination and exploitation of the poor by the rich, while the dependency theory focuses on the extent to which poor countries are dependent on the rich.

According to Galtung (1971) dependency theorists argue the world can be divided into the core and periphery countries. These countries are part of a global system that is dominated by a capitalist economic network. The process of dependency in whereby the poor peripheral countries are dominated and exploited by the rich core countries is best presented by Roxborough (1976, p. 113):

> The mode of articulation of the underdeveloped economies with the world economic system may result in a transfer of resources from the periphery to the center and/or this articulation may give rise to various 'blocking mechanisms', which hold back or 'distort' the economies of the periphery, thereby preventing an allocation of resources, which will produce economic growth.

The transfer of resources can occur in many ways like plunder, colonial, neo-colonial relationships or the operations of multinational corporations. The dependency theory rejects the linearity and progressive views of development and places emphasis on factors external to society. The theory views the conditions in less developed regions and countries as caused by the activities of the rich countries. Besides the physical domination of the less developed countries by the rich ones, "It is enough that the leaders or the elite of the poor countries hold attitudes, values and interests consistent with those in the rich countries" (Fagerlind and Saha, 1997, p.23). Frank (1972) names these elites 'lumpenbourgeoisie' and regarded them as major instruments of the dependency relationship.

In comparing dependency theory with modernization theory, Fagerlind and Saha (1997) make three observations. Firstly, modernization treats the nation -state as an autonomous unit and dependency theory focuses on the relationship between nation-states. Secondly, modernization theorists accept that the elites may play a positive role in the development process, whereas dependency theorists regard elites as an obstacle to real development. Thirdly, modernization theorists view education as providing the necessary skills for development, whereas dependency theorists view education as reinforcing the dependency condition of less developed societies. Fourthly, dependency theorists do not deny the fact that education promotes modernization, but question whether modernization promotes autonomous national development.

Dependency theory has had some criticisms. The first criticism concerns that the focus on external factors at the expense of internal structure of underdevelopment. The second criticism concerns the assumption that underdevelopment is associated with participating in a world capitalist system. The third criticism concerns failure to acknowledge that foreign investment, aid and trade in a given country, does in the short run at least, contribute to economic growth in that country while others have remained poor. The theory has also underplayed the role of non-capitalist countries in the development of less developed countries. The theory did not suggest strategies for development without creating some level of dependency. In the world of globalization, issues of complete self-sufficiency by a nation-state are unrealistic. One may not rule out some levels of dependency between nation-states, for example USA depends on Taiwan for cheap labor and Taiwan depends on USA for foreign direct investment. The theory did not suggest ways of having the elites in less developed countries ignore their personal interests and positions in favor of those of society as whole (Fagerlind and Saha, 1997).

## Liberation Theories

Close to the Marxist and dependency theories are the liberation theories. The main assumption of the liberation theories is that members of the underdeveloped societies are oppressed by the power-holders of their own societies, who control resources such as land, industry and wealth. Education is seen as the remedy for overcoming the oppression (Freire cited in Fagerlind and Saha, 1997). For Freire, liberation is development, and development is more of a question of justice rather than wealth. The liberation theory seems to overestimate the role of education as an agent of social change and overcoming oppression. Education could be a remedy for overcoming oppression if democratic institutions, which facilitate that, are present.

Four Models of Development Theories.

Having examined the historical development of development theories, it would appear these theories continue to exert influence on current thinking and planning among politicians, scientists and laymen about changes and future directions of the world (Fagerlind and Saha, 1997). The past and present theories of development can be subsumed into four models.

The first one is called the classic cyclical model that includes the Greek and Roman views about never-ending cycles of growth and decay of all material things, including nations and civilizations. Plato's view of smaller concentric -like cycles and Ibn Khaldun's view of history repeating itself and an emphasis on never-ending conflict are included in this model.

The second one is called the Agustinian Christian model that upholds the notion of one major cycle based on the view that the world is heading towards a major catastrophe.

The third one is called the linear model that includes the optimistic views of the Enlightenment and evolutionary theories that see development as a never-ending progressive movement based on faith in mankind and conviction that societies evolve through similar stages. Structural-functionalism, human capitalist theory and modernization theory are also included in this model.

The fourth one is the cyclical linear model that includes the optimism of the linear model and the conflict orientation implicit in the cyclical model. The dialectics of Hegel and Marx are included in this model. The dependency shares many characteristics with other theories in this model but because it has not been sufficiently systematized or articulated to be assigned to this school of thought without equivocation (Fagerlind and Saha, 1997). Models three and four seem to express the notion that development takes a desirable direction.

## Dimensions of Development Models

The notion of development as change in a desirable direction and encompassing many different dimensions has been understood (Fagerlind and Saha, 1997). The three main dimensions of development are; an increase in the efficiency of the production system of a society, the satisfaction of the populations' basic needs, and fair and equitable distribution of resources to meet the objectives sought by various groups. These dimensions help in analyzing and understanding development.

## The Current Dominant Approaches/ Models

A historically analysis of the development thought-theories and models has provided us with some background knowledge as to the origins of the development thought and how the whole process of development has been viewed through time. The essence of developing emerging economies is the mobilization of resources, and the design of institutions, to transform national economies and societies, in an orderly way, from a state and status of being less developed to one of being more developed. The agencies involved in this practice include national governments of emerging economies, and the governments of the richer countries which disburse official development aid to support and influence this process; a variety of non-governmental organizations and international intergovernmental organizations, such as the organs of the United Nations, and the World Bank, many of which have been set to resolve various development problems (Gore, 2000). We now turn to the state of the current dominant models/ approaches/ strategies/ policies.

The current mainstream development model is the WCM that is being challenged by, the SHD and the SC Models. These models fall into two categories namely policy models and process models. The WCM is a policy model while the SC and the SHD Models are process models.

In spite the fact that different writers may define policy differently, there are common threads in these definitions. Starling (1979, p.4) views policy as a kind of guides that delimits action. Kaplan and Lasswell (1970, p.71) sees policy as a projected program of goals, values and practices. A more comprehensive definition is given by Friedrich (1963, p.70) who defines it as proposed course of action of a person, group or government within a given environment providing obstacles and opportunities that the policy was proposed to utilize or overcome. Close to this idea is Anderson (1979, p.3) who defines policy as a purposive course action followed by an actor or a set of actors in dealing with the problem or matter of concern. Borrowing from these definitions, this study views a policy model as a guideline for action, a program of goals, values and practices, a proposed course of action within a given context providing obstacles and opportunities which the policy was proposed to utilize or overcome. This definition guides our interpretation and understanding of the WCM as an economic development model for emerging regional economies.

Similar to the policy model is the process model to which the SC and the SHD models belong. A process model reflects patterns of activities or processes that lead to the realization of the intended goals or purpose. The activities or processes include identifying the problem, setting the agenda for decision-making, formulating policy proposals, legitimating policy proposals, implementing policies, and evaluating policies (Anderson, 1979; Friedrich, 1963; Ranney, 1986, Starling, 1979). This background helps in understanding and interpreting the SC and the SHD as economic development models for emerging regional economies. We now examine the three models/approaches in detail.

## The WCM

The formulation of the WCM in the late 1980s coincided with the sudden collapse of the Soviet system. The disenchantment with socialist ideas and central planning, which had pervaded many emerging economies outside the Soviet bloc, created an urgent and widespread need for an alternative set of ideas on how to organize economic and political life (Naim, 2000). It was then that certain economic groups tried to formulate a list of economic policies constituting a sole "paradigm" for the confident capitalistic economy. The list was meant to guide emerging economies and international organizations like the World Bank (WB) and the International Monetary Fund (IMF) when it came to estimating the progress of the former asking the latter for help, with reference to economic development.

"Washington" means the political-economic –intellectual complex made up of international organizations (IMF, WB), the Congress of the USA, the Federal Reserve, the administration officials and groups of experts (Williamson, 1990). The first formulation of the so-called "Washington Consensus" is due to John Williamson who specified ten items on economic policy, which according to him "Washington" agrees on (Williamson, 1990). The ten items are:

- budgetary discipline,
- changes in priorities for public expenditure-from less productive areas to health care, education and infrastructures;
- fiscal reform aiming at being out for broad taxable basis and moderate marginal rates;
- fiscal liberalization especially for interest rates;
- search and maintaining of competitive exchange rates;
- commercial liberalization;
- openness to the entry of direct foreign investments;
- privatization;
- deregulation;
- and safeguard of property rights.

According to Gore (2000) the WCM recommended that government should reform their policies and in particular:

1. Pursue macroeconomic stability by controlling inflation and reducing fiscal deficits.
2. Open their economies to the rest of world through trade and capital account liberalization, and
3. Liberalize domestic and factor markets through privatization and deregulation.

This was propagated through the stabilization and structural adjustment policies of the International Monetary Fund (IMF) and World Bank. Gore (2000) says the WCM has been the dominant approach to development from the early 1980s to the present.

The formulation of the WCM was founded on an attempt to summarize with particular reference to policy reforms in Latin America "the conventional wisdom of the day among the economically influential bits of Washington, meaning US government and the international financial institutions" (Williamson, 1993, p .1329). The WCM is a "universal convergence," and it constitutes "the common core of wisdom embraced by all serious economists" (Williamson, 1993, p.1334). The WCM was seen as a shift from the past because of its focus on market- oriented economic policies rather than state-led economic policies. Together with a shift towards market-oriented policies, there was a deeper shift in the way development problems were framed and in the types of explanations through which development policies were justified (Gore, 2000). These changes were: the partial globalization of development policy analysis, and a shift from historicism to ahistorical performance assessment.

The "Washington Consensus" Problems

The main problem with the "Washington Consensus" it is silent about the equity issues. This omission is critical because some emerging economies have the greatest inequalities in the world. For example in Latin America the Gross National Product (GNP) per capita of 20% of the wealthiest population is 18.7 times the GNP per capita of 20% of the poorest population (Naim, 2000).

The Consensus seems to underplay what government should do to ensure sustaining true conditions of competitiveness in the markets. One other problem has to with the impartiality or absence of self-interest among those who draw up this Consensus (Krugman, 1995). For example one is bound to question partiality of the politicians, and WB and IMF- this could be seen as an attempt to have the politician and investors' common beliefs reciprocally strengthening.

Empirical Verification Of The Consensus Performance

The Mexican crisis, from all its characteristics, marked the beginning of the WCM deflation at a time when gradually everybody began to have confidence in it (Krugman, 1995). The modest recovery of economic prospects at the beginning of the1990s-following the strong crises of the 1980s-created a kind of "speculative bubble": investors started to invest in emerging economies and that caused prices to rise gradually, boosted by the investors themselves. This may serve to demonstrate the need for local ownership of the development.

Krugman (1995) acknowledges that commercial liberalization together with exchange policy led to the 1994-1995 Mexican crisis. The liberalization of flows contributed to the 1997 Asian crisis. In Mexico the IMF packs did not work because of economic realities leading the speculative bubble favored by the WCM to burst. It is important to that in as far as the WCM policies are reasonable they seem to have lacked specific adaptation to each country where implemented. More analysis of each pack seems necessary to verify its suitability for the specific country. Enduring development could be realized if there is continuous monitoring of the implementation of each pack in given socio-political and economic realities. This would enable the adjustment and reviewing of policies in every country.

In spite of the WB itself being comprised in the list of institutions included by Williamson in the word "Washington", its latest executives are stepping out of the "Consensus" line. Stiglitz (1998a) the WB Chief Economist said that the objectives of the WCM were not comprehensive enough. They needed to include: improvement on living standards, egalitarian development and a democratic development together with a conscious participation of citizens in collective decisions affecting them in many ways. Stiglitz (1998a) complains that the WCM did not stress sufficiently the need to reinforce competitiveness in the markets. In an attempt to address these shortcomings, the SHD approach/model was developed.

## The SHD Model

SHD is people-centered, which means it is development of the people, by people, and for people (Banuri, Hyden, Juma and Rivera, 1994). Development of people means investing in developing their capacities and capabilities. Development by people means that people make or participate in the decisions about their own development. Development for people means that the sustained well-being of all people on earth over generations is the ultimate goal of development. Local communities are increasingly recognized as both indicator users and data providers-they have capacities to develop and select appropriate indicators for their particular needs. SHD is not something outsiders can do for people, it is something they must do themselves. Developing people's capacities for SHD is thus one of the most effective ways of fostering SHD.

SHD means empowering people and creating an enabling environment for their initiatives in all spheres of life. Along with recognizing that people themselves have to make decisions about their lives, developing their capacities to make informed decisions and to implement their decisions is central to empowerment. SHD uses the program approach. The underlying rationale for the approach is to empower countries to own and control their own development and creating an environment that enables them to succeed. The programs are national and the policies and priorities of the developing country prevail. Decisions remain with the country or society, and all must be done in a way that empowers the partner country and improves its environment. Central to this strategy is supporting the country/society in developing a vision of its own future desirable state, in terms of the well being of its people, and in developing policies, priorities and strategies for realizing that vision. This involves a shift form government to society as the embodiment of the people and seeking the participation of all actors in society as partners in development. SHD is a dynamic process, involving animation and mobilization of social energy and developing capacities for sustainable development aimed at the well-being of all people. Within this comprehensive approach to SHD, UNDP seeks to focus its resources and efforts in support of countries on poverty eradication as the highest priority, addressing such key areas as the advancement of women, job and sustainable livelihood creation, and environmental regeneration. UNDP has made its mission to support national capacity development for policy formulation, program development and implementation, resource coordination and management. SHD represents a shift in development thinking and practice that reflects a much broader shift in thinking about society and the well-being of people. This shift is made up of many shifts in different elements that all tend in the same direction. It is often a matter of becoming more focused on one element rather than the opposite.

SHD involves two complementary strategies: empowering people and creating an enabling environment for sustained achievement of their goals and aspirations (Banuri, Hyden, Juma and Rivera, 1994; Chambers, 1995; Hijab, 1995). It is integrated development that seeks to reconcile, in a holistic, mutually reinforcing way, people's social, economic, cultural, political, and environmental goals and values, including moral/ethical and spiritual dimensions.

The strategic elements of this overall pattern are:

1. People are at the center,
2. Society rather than government or the state, is the focus,
3. A systems perspective, recognizing the complex interdependence among all elements,
4. Sensitivity to both the action and physical environments,
5. It is a multi-faceted process involving many different modes.

For sustainable development path to be achieved requires that the characteristics of this path be identified, understood, and taken fully into account in policy and implementation (Chambers, 1995, Hijab, 1995; Morgan and Carlan, 1994). Indicators of enduring development need to be developed to provide sound basis for decision-making at all levels and to contribute to the self-' regulating sustainability of integrated environment and development systems. Crucial to enduring development are the principles of participation and diversity (both biophysical and cultural). These principles must the context for indicators. Values can therefore never be accepted blindly, even where the selection process appears to be participative. Trying to de-value enduring development indicators for cross-community comparisons is equally problematic. Key to the success of all indicators is the "right to choose": ensuring an appropriate balance between technical experts and communities in sharing rights and responsibilities for selecting and using relevant enduring development indicators. The right balance will vary according to the target audience, the type of indicator and the geographical scale.

Development as practiced through established means of development assistance has brought about dramatic and important changes over the last thirty years (Chambers, 1995; Hijab, 1995; Jaycox, 1993). But improvement has been uneven, many countries have failed to benefit equitably and improvement has often been unsustained. Some of the reasons for that are:

1. Ineffectiveness of conventional development processes in creating and leaving in place people and institutions with the capacity to sustain development.
2. Excess emphases on short-term projects with finite impact, rather than investment in human capital, has led to poor sustainability results.
3. Directing support to governments and institutions rather than to developing societies has led to poor capacity of people to participate in development.
4. Excess dependence on foreign experts has led to minimal local ownership of the development process and to unsustainability.

Having examined the SHD as a challenge to the WCM, we explore the other challenge to the WCM-the SC.

## The SC Model/Approach

The two strands of the SC, Latin Amerian neostructuralism and East Asia developmentalism remain focused on economic growth as the primary goal (Mkandawire and Soludo, 1999; UNCTAD, 1998, part 2). However, the two strands give a different economic analysis of how growth occurs in late industrializing countries and propose a different policy orientation to the dominant WC paradigm.

The SC proposes that national economic growth involves a process of catching-up with more industrialized countries. To achieve that, national enterprises must build up production capabilities and international competitiveness in a range of activities. There has to be a structural change from agricultural activities dominance to manufacturing sector dominance. In the process the level of skills improve from less skill activities to more skill-, technology and capital-intensive activities. At macro-level growth, growth, structural change and productive upgrading, is driven by a rapid pace of capital accumulation, which depends on increased domestic savings, investment, and exports (ECLAC, 1990; UNCTAD, 1996). At micro-level, this process is based on imitation, adaptation and learning of internationally available technologies in an attempt to reduce costs, improve quality, and introduce goods and services not existing in the country, including from foreign-owned to locally-owned (ESCAP, 1990; ECLAC, 1990). The SC argues that development in late industrializing countries could not be animated using a general blueprint. There is need for adaptation of policy measures to initial conditions and external environment, and change over time as the economy matures (ECLAC, 1990). However, some general policy orientations that could apply in all circumstances can be identified.

First, to achieve growth and structural change, there is need for strategic integration of the national economy into the international economy as opposed to de-linking from the world economy or rapid across-the-board opening up of the economy to exports and external capital. The timing, speed, and sequencing of opening, in relation to different types of international flows, should be decided on the basis of how they support the national interest in terms of promoting economic growth and structural change (Singh, 1994). Import liberalization should be as gradual as possible in order to enable the local enterprises to build up production capabilities, and thus face external competition. Special measures should complement tariffs to promote exports (ECLAC, 1990). Inward FDI should be used to support the build-up of domestic production capabilities and exports. But the FDI requires specific domestic policies (ESCAP, 1990).

Secondly, growth and structural change is best promoted through a combination of a macroeconomic policy that seeks to reduce inflation and fiscal deficits, but also aims at full utilization of production capacity; and development policy measures that are coordinated with trade policy, which are designed to improve the supply capabilities of the economy as a whole, and specific sectors within it, and to help private sector identify and acquire competitive advantage (ESCAP, 1990). Elements of the development policy include technology policy, human resource development, physical infrastructure development, financial policy, and industrial organization and competition. These elements are directed at improving productivity and competitiveness in all sectors of the economy (ESCAP, 1990). Their main goal is to promote the rate of capital accumulation and learning throughout the economy.

Thirdly, the successful implementation of these development policies depends on the cooperation between government and business. The policies are implemented through largely private initiative and through the market mechanism rather than administrative controls (Gore, 2000). This requires the enhancement of state capacities because a capable and pragmatic economic bureaucracy should formulate policy, through formal and informal ties with business. Government must ensure that any support or protection for the private sector is conditional on investment, export or productivity targets and should be temporary. Policies should also focus on overcoming specific problems, which impede the achievement of national development objectives for example, imperfections in technology and risks of exporting (ECLAC, 1990).

Fourth, the distributional dimensions of the growth process are to be managed to ensure equitable distribution of the benefits of the growth process. This could be achieved through wide asset ownership and the expansion of productive employment

Finally, regional integration and cooperation policies are an important element of strategic integration (ECLAC, 1990). Such policies should support increased international competitiveness, for example by facilitating regional production chains, and also promote the development of regional markets. These features of the SC arise because Latin American neostructuralism and East Asian developmentalism are rooted in a different worldview to the WCM (Figure 4). According to this worldview, the actions are founded on historical analysis; especially of long-term processes of late industrialization in the periphery of the world economy.

> A global analytical perspective is adopted and this has a realist rather than idealist view of the way in which market economies work. This recognizes vulnerabilities associated with integration into the international economy and also external constraints due to restrictions in access to advanced country markets, falling terms of trade for primary commodities and simple manufacturers, cartelization in global markets, difficulties in gaining access to technology, and instabilities of the international financial markets. Finally, the approach is normatively rooted in a distinctive form of economic nationalism. (Gore, 2000, p. 798).

This respects multilateral rules and arrangements, engaging in their design, negotiation and interpretation. It does not commit itself to the notion of self-sufficiency or public ownership, nor hostility to foreign ownership in and of itself. Its aim is to build international competitiveness as part of a long-term national economic project based on the development of national capabilities (Gore, 2000). The East Asian strand of the SC has proved to be most powerful because these models have in terms of their performance and criterion of economic growth worked well.

In the final analysis, it is important to note that irrespective of the differences that are inherent in these three approaches/models, they have all made significant contributions towards development thinking and practice. Some of these contributions are reflected in development policy analysis, to which we now turn.

## The Partial Globalization of Development Policy Analysis

The process of specifying development policy problems involves both explanations of development trends and normative judgments about how the world should be (Gore, 2000). An important decision that has to be made for each of these activities is what elements should be included when viewing a problem and which ones must not be included. This affects whether policy problems are seen within a global or national frame of reference. According to Gore (2000) explanations and normative judgments can each be elaborated within a national or global frame of reference, and so the thinking which underpins the practice of developing countries, can be wholly national, wholly global, or some combination of both (Figure 3). The full globalization of development policy analysis would mean a shift from a national to a global frame of reference both for explanation and normative evaluations. This position may be more idealist and very difficult to obtain in practice.

| | | Normative Framework\ | |
|---|---|---|---|
| | | National | Global |
| Explanatory Framework | National | Wholly National; | Global norms/ national framework |
| | Global | Global Explanations/ National Norms | Wholly Global |

Figure 3. Four main combinations of explanatory and normative framework in development policy analysis (Gore, 2000, p. 791)

Prior to the WCM in the 1980s, the mainstream explanations of the development process and evaluative judgments of the goals were both done within a national frame of reference-that explanations were on the basis of conditions within the countries themselves (national factors). Minimal consideration was given to external relations.

But the progress of the development process was assessed on the basis of analyses of sequences of change within already industrialized countries, which were then applied in emerging economies without any reference to their different external situations (Gore, 2000). Development policies were also geared towards the achievement of national objectives. Johnson (1967) says the key features of economic policies in emerging economies were; the desire for greater self- sufficiency, and early industrialization, the preference for economic planning and public control, and hostility to foreign investment. But emerging economies can hardly do without FDI such that a hostile attitude to foreign investment would only be to their detriment. However, there were major controversies both over the meaning of development and the means of achieving it (Gore, 2000). During the 1950s and 1960s there were debates about development strategies, for example going for balanced or unbalanced growth, and the role of human capital. In the

1970s the structural change was challenged by the need to focus on social objectives, for example poverty, income distribution, employment and basic needs satisfaction. These debates seemed to reinforce the normative and explanatory frames of development policy analysis as national-national objectives were the focal concern. Furthermore, the development strategies debates essentially explored the articulation and sequencing of internal (national) ingredients that could facilitate or accelerate the national development process.

The mainstream development policy analysis was challenged before the 1980s by the structuralist and dependency theories elaborated in Latin America (Kay, 1989). The normative concern of these theories was national and strongly informed by national concerns. But their analytical perspective was global in scope and this underpinned their critiques of mainstream thinking (Gore, 2000). Both structuralist and dependency theorists emphasized the importance of center-periphery relations as determining or conditioning the national development process. But some strands of the dependency theory would argue that external factors were the only ones that mattered and would recommend de-linking from world economy. However, in the late 1970s and early 1980s growth rate of most emerging economies, with the exception of East Asia, collapsed (Gore, 2000). This lent weight to the arguments that the mainstream development practice had failed. At the same the East Asia success neutralized those versions of the dependency theory which argued that development would always be blocked on the periphery, and also Latin American structuralism which was wedded to inward-oriented import-substitution policies in contrast to East Asia's alleged outward orientation. This situation gave weight and attention to the arguments that emphasized the positive role of free markets in development. These ideas were not strong until the late 1970s and early 1980s, when a new approach to developing countries, which was later, called the Washington Consensus, emerged as the main alternative to national developmentalism (Williamson, 1993). This coincided with the election of conservative political leaders in United Kingdom, United States and Germany in the late 1970s and early 1980s. This supports Kuhn's (1970) explanation that the timing of paradigm shifts is influenced not simply by scientific and policy debate, but also broader political and ideological configurations.

The frame of reference for the new approach was partially global and partially national. It combined normative economic internationalism with a methodologically nationalist form of explanation that attributed what was happening within countries mainly to national factors and policies (Figure 4). In this approach the key norms, which played a decisive role in terms of development practice, were the norms of a liberal international economic order (LIEO). These involved: a commitment to free markets, private property and individual incentives, and a circumscribed role for government. Specific examples included liberalization of both external and domestic economic relations, and market-friendly approach-which advocated liberalization of external trade and capital movements. Gore (2000) notes that the scope of domestic economic liberalization was limited in particular, to recognizing fully the legitimacy of state intervention in cases of market failure. But this study would argue that state intervention would be effective if all the causes of market failure were within their control, which seems very unlikely considering the critical role played by external factors in the process of development.

| | | Normative Framework | |
|---|---|---|---|
| | | National | Global |
| Explanatory Framework | National | Competing Mainstream Development Paradigms Pre-1982 e.g. Balanced or Unbalanced Growth | Dominant Development Paradigm Post-1982 Washington Consensus |
| | Global | Main Counter-currents Pre-1982 Latin American Structuralism and Dependency Theory | Wholly Global |

Figure 4. The combination of development policy analysis: 1950-1980 (Gore, 2000, p. 792)

The arguments for these norms were: first, the ethical superiority of economic liberalism, and second, theoretical and empirical analyses which demonstrate that conformity to the norms of a LIEO, would lead to better outcomes, not simply for the world community as a whole but also for the individual nation-states within it. Gore (2000) notes that many elements at the heart of earlier development practice such as protection of infant industries, and managed interest rates have been harmful to national interests, and thus constituted domestic mismanagement and irrationalities. At the same time policies of the East Asian newly industrialized economies that had achieved rapid and sustained growth were put forward in ways that suggested that they conformed to the requisite liberal forms. In the final analysis, the impact of conflicting and conforming policies on the resource allocation has been identified as the main mechanism by which domestic policies affect economic growth.

While the normative frame of reference of the new approach was global in scope, the explanatory arguments which sought to prove the instrumental superiority of the LIEO were partitioned into two; internal and external factors, and attributed most of what was happening to national factors and, in particular domestic policy (Gore, 1996). For example in making the case for trade liberalization and export promotion, conditions of global demand are generally ignored, and it is typically assumed that foreign markets are always available.

In the 1990 changes in the nature of the external environment are used to explain why liberalization, coupled with the right macroeconomic fundamentals had positive outcomes. In an increasingly globalized world economy, in which there is increasing reliance on trade and increased availability of external financial flows, countries which do not follow the WCM are cut off and excluded from the intensifying global field of flows (Gore, 2000). Those countries that followed the WCM were rewarded, as they could capture foreign direct investment, which could bring technology and market access. The FDI could supplement the country's national savings. But the analysis remained methodologically nationalist as it retains the distinction between internal and external factors, and attributed economic trends largely to domestic policy (World Bank, 1997, IMF. 1997).

The Shift From Historicism To Ahistorical Performance Assessment.

Theorizing on development strategy from the 1950s to the 1970s was founded on an attempt to understand rhythms, patterns and laws of development (Popper, 1960). This understanding was based on a historical analysis of long-term sequences of economic and social changes that occurred in industrialized countries, and which were expected to occur in emerging economies if the right policy interventions were made. This seems to be in line with the Classical Cyclical theories of development-sequenced stages of growth or recurrent patterns of structural transformation.

With the shift to ahistorical performance, the focus was on performance of various sectors; for example economic performance, industrial performance, trade performance, fiscal performance, poverty performance and human development performance (Gore, 2000). Countries were then ranked according to their performance in various new leagues of nations. Comparative performances have been explained by reference to national factors and national policy. Success stories of countries that had followed the WCM provide rule-of-thumb guidance on how policy reform should be undertaken and were also used as proof of the validity of the Washington Consensus.

However, in the 1980s, the initial moves toward performance assessment were overtaken by, and later incorporated in the discourse and practice of structural adjustment (Gore, 2000). The structural adjustment meant to improve performance of national economies through efficient resource allocation. The criterion used to measure performance was GDP growth rate, and macroeconomic stability, indicated by fiscal and external payments balance and low inflation. The dynamics of long-term transformation of economies and societies were underplayed and attention was given to short-term growth and re-establishing financial balances. The shift to ahistorical performance meant most agencies re-oriented their work to monitor and seek to improve performance, often through local problem-solving and local social engineering design to make economic and social institutions work better. Structural adjustment also entailed abandonment of government long-term grand plans for whole societies and a shift to decentralized decision-making, laissez-faire and local social engineering. This shift from holism could not be realized without a holistic approach. Everything was made subject to the rules and discipline of the market. The vision of the liberation of the people was replaced by the vision of the liberalization of the economies. The goal of the structural transformation was replaced by the goal of spatial integration (Gore, 2000).

But leaving everything to the rules and discipline of the market has problems as shown by Stiglitz's (1996) two divergent views on markets. The first view is that government should get out of the way and let market forces determine the right price. The second view is that some nation states do have little faith in the market and would introduce some price control regulations. Successful economies mix both options. Stiglitz echoed that the modern theory of market failures recognizes, however, that government intervention may not actually improve matters. This study views the idea of abandonment of government long-term plans wholesale as being suicidal. There is need for strategic decisions on choosing what to abandon and what to pursue.

## The Configuration of Development Policy Analysis in the 1990s

"The collapse of communism in Eastern Europe and the Soviet Union has served as confirmation of arguments which predicted the impossibility of central planning and reinforced the apparent superiority of a market-oriented development approach" (Gore, 2000, p.795). In the late 1980s, two important challenges to the WCM were developed. The first one is the UNDP's SHD approach. The second one is a latent "SC," which is founded on analyses made from the perspectives of countries undertaking late industrialization and seeking to catch up with richer countries in the global economy (Gore, 2000). Gore says the SC does not exist in reality nor has it been articulated analytically. Its existence is apparent in the convergence between the policy conclusions of Latin American neostructuralism and the deeper understanding of East Asian development models. These two challenges to the WCM have shaped development thinking and practice in different ways. Gore (2000) observes that the clash between the WCM and the SHD seem to reinforce and conserve the key elements of the current paradigm, in particular its ahistorical approach and its combination of normative internationalism with methodological nationalism, and the clash between the WCM and the SC serves to undermine these elements and create tensions and pressures for a further paradigm shift. As indicated in Chapter One, the key feature of the SHD that makes it different from the WC is that it seeks to promote different values. The WC focuses on the promotion of GDP growth, and uses the top-down, donor conditionality driven approach, while the SHD focuses of improving the nature of people's lives, and advocates that it should be founded on participation and a more equal partnership between developing countries and aid donors. The SHD people-centered approach has been influential (Haq, 1995). The SHD alternative has increased WC policies attention to achieve poverty objectives, making the WC more humane (World Bank, 1993).

Poon (1996) argues that the economies of the Asian Tigers have been characterized by phenomenal growth for example in Taiwan, the average annual growth rate of real Gross Domestic Product over the period 1970-1993 was 8.4% and that of Hong Kong was 7.4%. The economic development experience of Taiwan and Hong Kong is often interpreted using two different models. The neoclassical economic approach highlights the role of free market and minimal government intervention in bringing about impressive economic development in Hong Kong (Ho, 1992). Taiwan's economic growth by contrast is attributed by those who follow a "statist" approach to the existence of a developmental state, which intervenes in the economy both selectively and competently (Wade, 1990). Both approaches make their own contributions but fail to focus on the dynamic impact of the global manufacturing on the development of those two economies.

The "dependent development" approach ascribes to the post war phenomenal growth of Hong Kong and Taiwan to their structural linkages with advanced capitalist countries, through trade (Poon, 1996). Low cost and flexible production of labor-intensive consumer goods, manufacturers in Taiwan and Hong Kong attracted many orders from large retailers and multinationals in the USA and Japan. Production efficiency and flexibility were made possible and sustained by the existence of an elaborate subcontracting network.

According to the dependent development thesis, industrial development in Taiwan and Hong Kong was fostered by those countries, having been incorporated into the global production system since 1960s (Poon, 1996). Availability of cheap labor created opportunities for multinationals and sub contracts across the border to produce finished consumer goods. Manufacturers were playing what is called the commercial subcontracting role in the global economy, exporting consumer products to overseas markets. Ninety-five percent of manufacturing establishments in Hong Kong and 89% in Taiwan employed fewer than 50 persons in 1993 and 1992, respectively. In Taiwan, the small to medium enterprises industries employed 40.5% of the total of manufacturing workers in Taiwan. Successful management of the dependency relationship essentially means that local small to medium enterprises can meet the demands of customers so as to get future orders.

Hague, Husain and Montiel (1994) say that an increase in external inflows (export receipts or borrowing) tends to increase the demand for non-traded goods, inflation and a decline in a non-booming tradable goods sector-the Dutch disease phenomenon (the coexistence of an externally driven booming sector with lagging sectors in a small open economy). Through the 1970s and 1980s Pakistan's economy continued to grow, and managed to keep inflation under control and a sustainable trade deficit. There was no outward appearance of the Dutch Disease in Pakistan. This seems to suggest that the dependent model is not always a recipe for the Dutch Disease and brings in the importance of political realities of the nation-state or region-state. The answer to enduring development does not necessarily lie in a dependent or independent economic development model but may be in the management of the interacting variables at play within the specific context.

An effective and efficient management of the traded goods sector is critical because any disequilibrium in the traded goods market is therefore reflected in the external trade balance and real exchange rate (the price of the tradable goods in terms of non-tradable). A holistic approach by nation-state or region-state to issues at stack seems imperative if enduring development is to be realized. Such issues could include taxation level, government consumption of non-traded, reduced government public investment.

The success of the East Asian development models has impelled the shift in the WCM from laissez-faire liberalization to the market-friendly approach (Gore, 2000).

However, debates have taken another shift in view of the East Asian financial crises, and the apparent fall of the newly industrializing economies, which hitherto had been claimed on all sides as "legitimating angles" (Gore, 2000, p. 799).

## The Call For A New Paradigm

The fact that the financial crises in East Asia are significant for the future of directions in development thinking and practice may not be overemphasized. "Economic growth has fallen dramatically in developing countries and, just as there was during the crisis of the early 1980s, there is now increasing reason to call into question the effectiveness of dominant policies" (Gore, 2000, p. 799). Different explanations have been suggested for the crises. These include; domestic mismanagement, domestic policy, lack of government supervision and coordination, excessive government intervention, speculative financial flows and contagion. The IMF bailout package is said to have worsened the problem and seen as an attempt to use the crises further to impose in a deeper way LIEO norms on domestic economic activity.

This study accepts Adelman's (2000) idea that "The crisis has also revealed the extent to which the globalization of world capitalism constrains the capacity of a developmental state to implement an independent strategy of industrialization and foreign trade." (p. 1087). Consistent with Adelman (2000) this study supports the fact that the Asian crisis cannot be explained by a single factor, domestic or international. On the domestic side, Adelman argues that there were faulty policies leading to the crisis, incorrect blend of government interventions strategies and market forces, corruption, lack of commitment to development on the part of leadership and government economic policies were dominated by personal greed. Examples of faulty policies were: maintaining a risk-adjusted real interest rate well above the world real rate, allowing wages to rise faster than productivity, and maintaining an appreciating exchange rate. A combination of these policies led to a loss of competitiveness on world markets and ultimately resulting in a negative balance of trade.

While debates are still on, attempts to attribute to crisis to solely to domestic mismanagement, or analytically to separate external and internal factors, are not convincing.. Furthermore, real differences have emerged in Washington, between the WB and IMF, on the causes of the crisis and how best to handle it (Gore, 2000). Krugman (1995) has written after the 1994 Mexican crisis, that the major mechanism through which the WCM policies have worked is a speculative bubble in emerging markets in which policy reforms attracted private capital flows, and the attraction of the flows stimulated policy reforms, and that this bubble had now burst. In support of Krugman, Stiglitz (1998b) calls for a new paradigm that seeks to achieve broader objectives embracing a focus on living standards of people and the promotion of equitable and democratic development. The new paradigm should use a wider range of instruments to build markets as well as to correct market failure, and to foster competition as well as liberalization and privatization, with limited forms of regulation.

It appears change should not be imposed from outside but requires ownership, participation, partnership and consensus building. "Development should no longer be a monopoly of economists" (Gore, 2000, p. 800) and politicians. It is important to note that the only circumstances under which methodological nationalism is a completely coherent approach is if national economies are completely isolated and de-linked from outside influences. In the era of globalization such conditions are untenable. Gore (2000) argues full globalization of development policy analysis is imminent (Figure 5), despite its shortcomings. This study proposes an alternative approach and possible development paths. That could inform a pragmatic commitment to progressive and enduring change in favor of present as well as future generations.

| | | Normative Framework\ | |
|---|---|---|---|
| | | National | Global |
| Explanatory Framework | National | | WC<br>SHD |
| | Global | SC<br>. East Asian Models<br>. Latin American Neostructuralism | Coming Paradigm Shift |

Figure 5. The configuration of development analysis: 1990s and beyond (Adapted from Gore, 2000, p.798)

The financial crises of the late 1990s raised a number of key issues for analysis of regional, and indeed global, economic management processes that were not addressed in the heady ‘emerging market’ days of the early 1990 (Breslin and Higgott, 2000). Both APEC and ASEAN proved incapable of making immediate short-term palliative responses to the regional crises. This posed serious questions about the efficacy of emergent models of regional organizations in Asia and the Pacific. The abortive Japanese initiative to establish an Asian Monetary Fund in the face of the US opposition reinforces the idea of dependence, the importance of “the other”.

However, short-term weaknesses could turn to be long-term gain in that the crises may have pushed the states to think at how best to build a regional order that can prevent financial crises or deal with them effectively when they arise. The move to set up a regional monetary fund could be seen as a desire on the part of the regional elites to take greater control of financial affairs at regional level. It could also be seen as an attempt to limit exposure to compulsory adjustment measures imposed by the international financial institutions like IMF and World Bank. But how effective these would be in practice remains to be seen.

## Summary

The literature review conducted shows that there are a number of interacting factors that support development. Among these critical factors, culture seems to be an important variable in economic development. Consistent with the observations by Sweet (1999) and Cui (1998) regional integration plays a key role in economic development. The study acknowledges Syrquin's (1992) and Stiglitz's (1996) ideas of integrating imports and domestic production so that domestic industries do not lag behind in development.

As observed by Sweet (1999), Fagerlind and Saha (1997), Bell (1976), Chen (1994), Scanian (2000) and Zarit (1995), this study accepts the idea that human capital is central to economic development through its role in research and development, strategic planning, labor provision, and training and development. The provision of high quality personnel facilitates the production of high quality goods and services for local and global market.

This study accepts that no development model/approach has the monopoly in contributing towards development. Development should be seen as a product of interactive factors, whose significance may not necessarily be the same, but critical to the process of development. The realization of the interactive factors may depend on the human capital ability to competently chart the way forward and to remain sensitive to environmental dynamic forces and adjusts accordingly.

## Strategic Planning For Emerging Regional Economies

This section of the study examines the concept of strategic planning as an analysis, a planning and management tool and process that helps organizations, nation-states, and region-states to achieve and sustain development in the face of many and varied changes both in the internal and external environments. We begin by analyzing the concept of strategic planning, beginning with a broader concept of strategic management and then examine the rationale for strategic planning. The section also explores the environmental scanning and its role in strategic planning for economic development for emerging regional economies. In the end, it will be argued that, organizations, nation-states, region-states, in the new dispensation, characterized by the need to decentralize decision-making and to participate in the global economy, will need to develop and sharpen skills in strategic analysis, development and management.

### Meaning Of Strategic Planning

In order to understand strategic planning, the broader concept of strategic management needs to be reviewed first. We will look first at the concept strategy as a prelude to understanding strategic management. Strategy in management planning terms is, "... the determination of the basic long-term objectives of an organization of enterprise, the adoption of courses of action and allocation of resources necessary to achieve these goals." (Thayer, 1986 p. 487). From Thayer's perspective, there are three issues at the heart of strategy. These are first, the decisions about what the organization is supposed to be concerned with. Secondly, strategy involves identification of methods of meeting the organization's purposes. Thirdly, strategy is about determining and devoting resources in order to meet the goals of the organization..

Ferrier (2001) defines strategy as a sequence of competitive actions carried out over time (p. 858). Ferrier brings in two very important issues namely 'competitive actions' and 'carried over time'. These are relevant to emerging regional economies' participation in global economy. While we agree with Ferrier's notion of 'competitive actions', we view the idea of 'carried over time differently'. We propose 'carried out continuously' instead, in view of the competitiveness of the global marketplace and the uncertainties that go with it. This makes continuous adjustment of strategy a necessity rather than choice. For example in hyper-competitive markets existing and unforeseen challengers that aggressively seek and find new ways to satisfy clients relentlessly pursue leading organizations. This leads to competitive attack that is shaped by interplay of multiple competitive actions carried by the attacking organization and possibly punctuated by competitive responses from the rivals. To stay ahead, the leading organizations need to disrupt the routine pattern of rivalry by coming new ways of doing things and new things to do. But aggressive competitive behavior is related to better organizational behavior. There is need for a level of analysis that explicitly explores strategy as it unfolds. Some intended sequence could give way to an emergent sequence as rivals develop competitive responses. It seems imperative to understand the competitive dynamics which include; attack volume-total number of competitive events, attack duration-time elapsed between the beginning and end of an attack, attack complexity-range of different action typ+es, and attack predictability-some variation of sequential order (Ferrier, 2001). But what is strategic management?

Steiner (1979, p. 16) sees strategic management as "Designing a desired future and identifying ways to bring it about." The concept calls upon organizations to engage in thinking and actions that are focussed on the long-term future and to devise mechanisms that will bring about the futuristic designs into being. Strategic management is therefore a process of becoming. Chandler (1962, p. 15) defines strategic management as; "... the determination of the basic long term goals and objectives of an enterprise and the adoption of courses of action and the allocation of resources necessary for carrying out these goals." Chandler's definition seems to be in line with the view of strategy examined earlier as consisting of a trilogy of elements of goal identification, implementation strategizing, and resource allocation.

Strategic management could be viewed as a pattern of decisions which, represents the unity, coherence and internal consistency of a company's strategic decision that position and company in its environment and give the firm its identity, its power to mobilise its strengths and its likelihood of success, in the market place (Andrews, 1987, p. 47). By being a 'pattern of decisions,' strategic management subsumes a systematic process of goal setting, which, is based on a system wide effort that taps on the contribution of all and sundry in the organization. Strategic management entails analysis of the business environment and the need to justify the existence of the organization on the basis of its unique contribution in terms of products and services to the market place. Strategic management entails goal setting and developing policies and plans, through the involvement of every one in a bid to achieve the organisational goals.

Smit and Cronje (1992) define strategic management as "A set of decisions and actions resulting from the formulation and implementation of strategies designed to achieve the objectives of an enterprise." (p. 107). This view stresses the existence of two interactive processes of strategy formulation and strategy implementation. Cole (1994) refers to strategic management as “A process directed by top management to determine the fundamental aims and goals of the organization and to ensure a range of decisions which will allow for the achievement of those aims or goals in the long term, whilst providing for adaptive responses in the short term.” (p. 2). Even though strategic management is directed by top management, the generality of organizational members must have a full share in arriving at the organizational strategy. McCulty in Kreitner (1995) who warns, “Empowering middle managers is a necessity. They manage what we as a corporation want to accomplish. To make them think strategically comes from sharing the direction...." (p. 201) shares similar views.

Another issue emanating from Cole’s view is that even though strategic management has a long-term focus, it must still provide mechanisms for the organization to respond to on- going changes in the present. A more comprehensive definition is given by David (1986) who says " ... strategic management can be defined as a formulation, implementation and evaluation of actions that will enable an organisation to achieve its objectives." (p. 4). It is important for organisational managers to observe the importance of the inter-relatedness of formulation, implementation and evaluation so that the gap between plans and practice is kept the minimum thereby leading to organisational effectiveness. From the definitions of strategic management above it is evident that the approach could be useful in modern organisations with of course necessary adaptations. We now look at planning.

Generally planning is a subset of management, being the most basic of all managerial functions. Smit and Cronje (1992) describe planning as the fundamental element of management. It predetermines what an organization proposes to accomplish in the changing environment in which it exists. Therefore planning is the starting point of the management process and is, a sense, the point around which all management activities revolve. Goodstein et al (1993) give an additional thrust by defining planning as, "... the process of establishing objectives and choosing the most suitable means of achieving those objectives prior to taking action" (p. 3). Finally, Ackoff (1981) who looks at planning as anticipatory behavior-a process of deciding before action is taken or required shares similar views. This leads us into examining the meaning of strategic planning.

Smit and Cronje (1992) define stategic planning as the process aimed at achieving an organization's mission and objectives by reconciling its resources with opportunities and threats in the business environments. A detailed definition is given by Burnes (1996) who views strategic planning as a process that involves making a sequence of interrelated decisions aimed at achieving a desirable future environment for an organization. This view is supported by (Goodstein et al (1993) who defines strategic planning as, "... the process by which the guiding members of an organization envision its future and develop the necessary procedures and operations to achieve that future." (p. 3). All leaders' guiding visions provide clearly marked road maps for their organizations and every member can see which direction the organization is going (Bennis, 1991). There is a clear distinction between planning and strategic planning. The critical component of strategic planning is envisioning the future, which gives the organization, nation-state or region-state both the direction and energy to begin that move. "Envisioning is more than an attempt to anticipate the future and prepare accordingly. It involves a belief that aspects of the future can be influenced and changed by what we do now." (Goodstein et al, 1993,

p. 3). This is very different from long-range planning that is more of extrapolation of current trends. If aspects of the future can be influenced and changed by what we do now as asserted by Goodstein et al (1993), then deliberate effort should be made in terms of both planning and execution, to ensure that the future falls with a well defined critical path, of course with some deviations which fall within some defined tolerance levels. Again, if aspects of the future can be influenced by what we do now, then from a strategic planning perspective, the current top-management for organizations, nation-states and region-state are responsible for planning for and creating the envisioned future. They are accountable to the current and future generations for ensuring sustainable development or lack of it. Hansen (2001) accords accountability and making development of the next generation of leadership the highest priority in strategic planning for sustainable development.

Cameron (2001) views strategic planning as the ability of the organization to make and fund new decisions, modify and taper the edges of its performance, and assess the ability to reassess its direction with a quick response capability. The real outcome of any good strategic planning should be a set of interactive strategic actions by the rest of the organizations. If organizations are to strengthen their ability to respond to today's dynamically changing environment, they need to focus on changing the behaviors associated with the organization's strategic planning process. The demands for accelerated response times necessitate that organizations define, decipher and deploy tactical and operational plans with pinpoint accuracy.

Six Critical Factors Involved In Strategic Planning

There are six critical factors that are to be involved in strategic planning (Goodstein et al, 1993). The first one is that strategy is a coherent, unifying, and integrative decisions-strategy development is deliberate, explicit, and proactive. The second one is that strategy is a means of establishing an organization's mission in terms of its goals, action plans and allocation of resources. The allocation of resources component is very critical and "... is perhaps the true acid test of the organization's strategic plan." (Goodstein et al, 1993, p. 3). The third one is that strategy defines an organization's competitive domain-the business the organization is in. The fourth one is strategy is a response to internal strengths and weaknesses, and to external opportunities and threats, in order to create a competitive advantage. The fifth one is that strategy becomes a logical system for differentiating executive and managerial tasks and roles at all levels of the hierarchy. The sixth one is that strategy is a way of establishing the economic and non-economic contribution the organization will make to its stakeholders. The significance of these factors in strategic planning analysis, development and management is reflected as the discussion unfolds.

An analysis of the definitions of strategic planning, and the six critical factors that are involved, suggests strategic planning seeks to address three main questions. These are: Where is the organization, nation-state or region-state going? What is the environment? How does the organization, nation-state or region-state get there? A comprehensive answer to these three questions would lay a very strong foundation for sustainable development of emerging regional economies. But why do strategic planning?

## Rationale For Strategic Planning

Different organizations, nation-states and region-states may give different reasons for doing strategic planning. The most important one is that strategic planning gives a framework of action that is embedded in the mind-sets of the organization and its human resources. It creates a common platform for decision-making and action at all levels of the hierarchy thereby building a strategic-management capacity of the organization (Goodstein et al, 1993; Ackoff, 1981, Bennis, 1991).

Strategic planning enables resource allocation and utilization behind a shared vision with commitment towards goal achievement within a given time frame. Strategic planning facilitates effective and efficient utilization of the environment. It also facilitates human capital development in view of organizational strengths and weakness, and environmental threats and opportunities.

Finally, strategic planning enable 'down-board thinking'-the organization must not only decide on their immediate moves, but they must consider their opponents' possible responses to their moves and plan a number of alternative moves ahead. Goodstein et al (1993) propose a model

## Environmental Scanning

"We stand on a precipice, stepping into a new era, time of enormous change and uncertainty characterized by the emergence of the first truly borderless, interconnected global economy. It's the world's youngest economy, fueled by the spread of free markets and democracy around the world" (Rosen, Digh, Singer & Phillips, 2000, p.16). Businesses in various countries are infiltrating one another's territories as never before. For example, European firms own large portions of American publishing industry, while the United States owns much of the Brazilian banking system. Japan owns a large portion of the world's automobile market, while Scandinavian companies provide a major majority of the world's mobile telephone. But not all is good news and global harmony. New threats proliferate.

These trends toward a truly integrated borderless, global economy will continue and accelerate. The overarching market in the twenty-first century is the global market, an interconnected and complex system we must understand. There are resources we must learn from, opportunities we must exploit, and differences we must manage. Since we have reached a high level of sophistication in our systems and processes, our people provide our only remaining competitive advantage. Businesses fight to attract, retain, develop, and motivate the best and brightest, seeking new ways to measure and enhance the value of their human capital. Companies create organizational practices, processes, and systems that leverage human capital to create value for their customers.

One of the strategies used by organizations to improve their strategic planning is environmental scanning. Environmental scanning has been recognized as an important early step in the strategic planning model (Anthony, Bennett, Maddox and Wheatley, 1993). Anthony et al note a key challenge in this process is to translate these broad macro trends into relevant variables that can be used by the organization in strategic decision-making.

Aguilar (1967) views environmental scanning as a systematic collection of information external to the organization for two purposes: to organize the information flowing into the organization and to provide the organization with early warnings of changing environmental conditions that could impact the organization. Banning (1995) looks at environmental scanning as an early warning process for organization. Brown and Weiner (1985) define environmental scanning as a kind of radar for organizations to help detect new and changing conditions. Stoffels (1988) gives more focus to environmental scanning by observing that environmental scanning is a methodology for managing the external social, economic and technical issues that may be difficult to observe or predict but that can not be ignored and will not go away. Hayden (1986) captures the futuristic element of environmental scanning by defining it as the process of analyzing trends in those external factors that affect a company's performance in order to make assumptions and forecasts about the future.

An analysis of the above definitions of environmental scanning shows that there is no single definition for environmental scanning that could serve different organizations and different contexts and at different times. However, it is worth noting that each of the above definitions raises some critical dimension(s) of the concept "environmental scanning" for example, it is systematic, an early warning process, focuses on external environment that could impact the organization, aims at detecting new and changing conditions, managing external social, economic and technical issues, can not be ignored and will not go away, and analyzing trends in those factors that affect a company's performance. For purposes of this study, environmental scanning is an organizational strategy for the systematic collection and analysis of information that assists in managing the external social, economic and technical issues, that can not be ignored and will not go away, and could impact the organization. It ranges from informal efforts at gathering opinions from clients, to explicitly tracking the practices of competitors, to conducting special market research studies and forecasts (Aguilar, 1967; Hambrick, 1982; Wilensky, 1971).

Banning (1995) poses key questions that held in understanding the key concepts of environmental scanning. The questions are; what information does the organization scan? 2. What methods are available?

What Information Organization Scan For

The choice of what information to scan is critical (Banning, 1995). Banning notes that organizations should scan information sources related to the mission of the organization. Once the sources are identified, the issue becomes what type of information. Merrison (1987) hints that the scanner should look for trends, events, and emerging issues. Merrison defines a trend as a series of social, technological, economic and political characteristics that can be measured or estimated overtime. For example, the new political administration in USA, Israel and Democratic Republic of Congo could be viewed by organizations in different countries as opportunities for new market or threats to existing market. Therefore these organizations would be interested in getting information on policies of the new administration with regards investments, taxes and political stability.

Merrison (1987) defines an event as a discrete confirmable occurrence that makes the future different from the past. In the political filed, this could be likened to the USA where the Republicans have taken over the administration from the Democrats. By virtue of these being different political parties, the new administration is likely to initiate new policies that are completely different from the previous administration. For example the Bush administration has launched new taxes initiatives that could lure of deter investors.

Merrison (1987) defines the final category, emerging issues, as a potential controversy that arises out of trend or event, which may require some of a response. This could be likened to the situation in countries where the prices of basic commodities have been deregulated and continue rise on a weekly or monthly basis. As a result of this workers may threaten to go on an indefinite strike/work stoppage. Work stoppage or strike negatively affects production, thereby threatening existing or potential investment. At the same time introducing price control would not go down well with industrialists who would prefer market forced to determine prices of commodities.

The above examples show the need for organizations to do environmental scanning for the better management of environmental threats and opportunities. A number of methods are available to the scanner to guide this process.

Environmental Scanning Methods

Stoffles (1988) suggests four scanning methods. The first one is scanning at informal observation level. A member of an organization could obtain information from a political convention, current publication, or newspaper related to price control in Zimbabwe. The second level, conditioned observation is where the scanner takes an issue that emerged from the informal observation level and begins to seek more information (Stoffels, 1988). For example, a news item on the plans by the Zimbabwe Government to introduce price control, a scanner would seek alternative sources of information to confirm or establish whether it is mere political rhetoric or a reality. If this is confirmed, and the possibility is high that this could affect private enterprises, the scanner seeks specific information related to the trend, through the informal search. Some of the questions a scanner could raise are; what commodities are going to be affected? When are the price controls to be effected? For how long are the controls going to be in place? The final method, given by Stoffels (1988) is the formal search where a special committee is set up to do a thorough data collection process relevant to the issue.

Renfro and Morrison (1984) propose a taxonomy close to that by Stoffels (1988). They suggest three methods namely, passive, active, and directed scanning. Passive scanning is an ongoing observation process designed to keep staff in touch with the environment external to the organization. Active scanning requires additional effort and focus. Directed scanning is a search for specific information in a formal manner.

## Importance Of Environmental Scanning

Drohan (1997) highlights the critical importance of environmental scanning when he says environmental scanning provides invaluable insights. He views it as a golden opportunity to take the blinders off and look at external trends in business and society in general. It helps to assess the impact of these trends on your organization in particular; and to view your organization as part of an interconnected business ecosystem. Equally important is the comprehensive internal inventory that provides a clear snapshot of where the organization is at a certain point in time.

Porter (1999) correctly observes the positive impact of environmental scanning on human resource practices when he/she says scanning stimulated a lot of thinking and discussion. Porter goes further to say that because of environmental scanning, the organization goes beyond operational issues and could start thinking of doing things differently in the future. This could have a bearing on human capital training and development or new product development.

Through analyses of trends identified in the environmental scanning, organizations can begin to ask; who and what is outside the matrix? Which organizations we haven't thought of as competitors? What are the markets we could be serving that operate outside our traditional way of looking at the world? What do employees value and expect (Porter, 1999). As the organizations attempts to answer these questions some paradigm shifts are expected which could lead to better, more efficient and effective practices and employee loyalty.

*In terms of procedures* of environmental scanning, Mariampolski (1999) acknowledges that ethnography represents a long-neglected opportunity for marketers because it can place in the real world. Consequently, clients and practitioners benefit from a more holistic and better-nuanced view of consumer satisfactions, frustrations and limitations than any other research approach.

In the final analysis, organizational environments present a great deal of ambiguous and unorganized information to top management teams during strategic planning. Distilling perceptions of the scenarios into useful information to enable formulation of realistic goals, objectives, and action plans is not an easy task (Anthony, Bennett, Maddox, and Wheatley, 1993). Strategic leaders, above all, need to be aware that the modern environments in which they work comprise powerful forces for change-forces, which offer opportunity but pose a threat to the organization's continued survival.

## Strategic Planning In Practice

> Most organizations do some kind of long-range or strategic planning, ... most strategic planning processes are poorly conceptualized and poorly executed; the process is often not very creative and it is tactical rather that strategic in nature.... To be successful, a strategic planning process should provide criteria for making the day-to-day organizational decisions and should

> provide a template against which all such decisions can be evaluated (Goodstein, Nolan and Pfeiffer, 1993, p. 1).

These ideas guide and provide a platform for, our discussion of this section of the study with a lot of insight. Regrettably, in the majority of cases strategic planning is seen as a top-management issue that has very little to do with actual operations of the organization (Goodstein et al, 1993)..

There are two kinds of decisions that organizations make: strategic decisions and strategically driven decisions (Goodstein, et al 1993). The first one is the top management's main executive function; and senior management needs to ensure that strategically driven decisions are properly made and executed. The need for consensus on and commitment to the strategy by top-management is the single most significant factor in executing the strategy. This is more so when it comes to planning for emerging regional economies where there are more diverse interacting variables whose synergies are critical in facilitating enduring development.

Cameron (2001) observes that most organizations fail to separate the components of strategic planning and those that are critical in facilitating the required follow-through. For example some organization mistake their mission statement for their strategic plan-the mission statements are statement of purpose (vision, mission and goals) and the strategic plan becomes the identification of how the organization will achieve its vision, mission and goals. The tactical and operational plans become the programs or specific steps the organization will take to accomplish that how. Strategic planning takes the vision, mission and goals of an organization and formulates a detailed set of corporate and divisional objectives. It serves as the cornerstone of the overall business planning process.

Within a region/organization there are three levels of strategic planning, each with specific characteristics and requirements (Cameron, 2001). At regional/corporate level, strategic planning must address the question of how the region/corporation will achieve its growth targets. What are the underlying drivers that define regional/corporation growth? After answering that question then the region/corporation will be prepared to pursue the questions surrounding what business they want to be in and how they will manage the business activities that they have. At the nation-state/business unit level, the strategic pan needs to define how the nation-state/business unit will compete, what markets it will serve, and more importantly how it will differentiate itself in factors like price, and cost. At ministerial/business unit department level, strategies at this level must be consistent across the horizon of ministries/departments, as well as vertically in the nation-state/business unit and in concert with the nation-state/business unit leadership.

By focusing on strategic thinking (evaluating the forces that are impacting your business) and strategic management (using strategic thinking to set and communicate the objectives of the business) tactical and operational managers become the key elements of the organization's strategic analysis and planning processes. Some of the activities to be included in strategic planning and management include: sensing activities in the market, analyzing and deciding what to do with them; tracking implementation efforts; and learning from the feedback. Cameron (2001) advises;

> By focusing on strategic planning, analysis and strategic management as a system of related behaviors that correspond to the areas noted above, your strategic planning process will create a better radar to help your organization identify changing conditions, better practices for decisions and responses, fewer delays and less inertia, and better analysis of feedback from your efforts (p.14).

From the perspective of time horizons, events in the competitive markets are moving so fast and becoming so complex that a planning horizon of three to five years in trying to document successful strategies is becoming irrelevant (Cameron, 2001). It may be more beneficial to develop plans that focus on the dimensions of market space for example, by organization, by product and by channel. It also advisable to develop multiple options to address a problem and choose between these options within a defined period-typically two months. The choice of options is based on the most complete knowledge of the organization's environment that is facilitated by environmental scanning. In the process of environmental scanning Sawyer (2001) advises that many organizations doing competitive intelligence fail to realize any benefits because they focus on the 'trees' and not the 'forest'. This occurs when companies on macro-level insist that only certain businesses are their competitors and do not take a broad view of the market, only to be shocked when overtaken by new competitors. At micro-level this occurs when organizations get worked up over "branches" or "leaves" on the 'trees'. Organizations therefore need to be open-minded and as broad as they can when they scan their environment.

Cameron (2001) suggests a critical component of strategic planning and analysis process when he says;

> Strategy, as the creation and exploitation of change, is unavoidable dependent and predicated on learning. Most organizations look to what they already know – the operational data, historical facts, or computer-driven reports. They rarely question the perceptions they hold, the beliefs they adhere to, the assumptions they accept, or the projections that inform their view of the future (p. 14).

A lot of time could be spent examining external data upon which they continually perform unnecessary analysis. There seems to be no willingness to examine own beliefs and assumptions, and elaborate on the logic behind them. Instead leaders fall back on traditional command-and-control mechanisms. Cameron (2001) suggests that organizations that want to have life after planning need to get away from knowledge by authority and move on with changing their planning behavior (p. 14). But a questioning environment for changing the organization's planning behavior works best when informed analysis, rather than politics fuels the planning debate. Strategies will evolve from the quality of the feedback the planning process generates. The feedback could also come from the analysis of why things go badly or go so well.

However, in practice, organizations tend to look for feedback mainly when things go badly and rarely bother to look for feedback when things go so well, thereby missing opportunities for improving their strategic planning process. It is our contention that this behavior pattern may have serious ramifications when it comes to planning for emerging regional economies. For example when the economy is doing so well in a country or region, there is very little consultation at grassroots level that involves potential and current stakeholders, to analyze why the economy is doing so well. Such a process, if done would facilitate performance assessment and giving credit where it is due. Recommendations for further improvement could be generated. Bennis (1991) advises that paying attention to what is changing today would help organizations know what they must do better tomorrow. A solid foundation, possibly benchmarks for development process-planning, could be created in an atmosphere of dual confidence between leadership and stakeholders.

The scenario is likely to be different when analysis is done when things go badly because there may be a tendency to be faulty finding, lack of confidence in the system, and very little self-attribution. Under such an atmosphere, objectivity in performance assessment could be compromised leading to a system's failure. For example some ASEAN, and SADC nation-states often blame "the other" for their economic crises. With regards to sub-Saharan Africa, Zimbabwe Mirror (2001) asserts that sub-Saharan Africa is poorer than it was two decades ago. The main reasons alleged to have created that situation include declining aid and terms of trade, mounting debt and ineffective adjustment policies. All these reasons point to 'the other', which seems to be an over generalization. The absence of some reasons that give some blame to sub-Saharan Africa raises great concerns. For example Mobutu, the former DRC dictator, deserves a fair share of blame for creating poverty in the DRC. If some sub-Saharan African regimes deserve credit for the significant development in their nation-states, equally others deserve the blame for underdevelopment and poverty in their nation-states. Whether Zimbabwe Mirror (2001) assertions are right or wrong the critical question is; what are the individual nation-states doing to save their economies from an economic doom? Organizations that want to have a life after planning need to ask two critical questions during their strategic planning process. These questions are; why are things are going so badly? And why are things going so well?

Zimbabwe Mirror (2001) suggests that significant external funding and capital inflows will be needed to boost economic growth rate in sub-Saharan Africa. From a strategic perspective the big question is; is the prevailing situation in sub-Saharan Africa conducive to foreign direct investment? What measures are being taken by sub-Saharan Africa to ensure investor confidence? These are critical questions for strategic analysis, development and management that need to be effectively addressed if sub-Saharan Africa is to realize its goal of significant economic growth.

Despite the different perceptions of strategic analysis, development and management, any viable organization can and must put in place practices and tools that facilitate strategic decision-making throughout the entire organization if it is to survive. In these turbulent times it would be risky for organizations to make strategic decision-making, and strategy development a preserve of a handful of executives at an off-site retreat (Cameron, 2001). This study accepts Hodgson's (1992) idea of acknowledging differences, which include a tolerance of diversity with regards to values, beliefs, customs and ethics, between people.

Steiner (1972) adds a critical component for consideration namely social responsibility-which concerns the social contract between business and the society in which it operates. At any one point in time in any society, there is a set of generally accepted relationships, obligations, and duties between the major institutions and the people. According to Steiner (1972) philosophers and political theorists call this "the social contract". Kraft (1991) asserts that socially responsible organizations accord greater importance to the interests of a society, to the extent that they may supercede those of the business. They are thus not guided purely by the financial doctrine of maximizing shareholder value (Hunt, Pamela, and Lawrence, 1990).

In some situations the issues related to relationships and obligations are not well managed. For example, the Asian economic crisis has led to many discussions regarding its genesis (Fischer, 1998). A featuring cause of the crisis is the lack of transparency in Asia for example many commercial transactions in the region are believed to be tinted with and tainted by political and other vested interests. Allegations of nepotism, corruption, crony capitalism, and collusion may have contributed to the downfall of Asian economies (Ang & Leong,, 2000). Some cultural factors such as quanxi and mianzi, are factors intimately related to Asian business (particularly Chinese). Quanxi is generally conceived as the interpersonal connections which an individual attempts to cultivate with relevant parties, while mianzi relates to the need to preserve one's social standing (Ang, & Leong, 2000). The quanxi has until recently been a vital ingredient for the success of East Asian economies (Montagu-Pollock, 1991). According to Ang and Leong (2000) the Asian crisis is one such example where personal relationships between parties and the state of poor governance led to massive bank loans issued not on the basis of project feasibility, but on personal favors extended and owed to these parties. Such relationships are between the politically aligned owners and the banks (Yang, 1994).

In attempt to facilitate enduring development in emerging economies, the call for transparency seems to have gained momentum. Hansen (2001) argues that although transparency has been an issue in international business, the Asian crisis (1997-1998) has pushed it forward and put it on the agenda for creditors, investors, and regulators around the globe. The current plunge in the technology stocks in Europe, and US, and the threat for a global downturn could give the transparency issue more urgency. Evidence of need for transparency is visible in emerging economies where greater transparency is becoming a requirement imposed by international financial institutions that many organizations depend on for project financing. According to Hansen (2001) the demand for transparency has become central to rebuilding businesses in Asia. China is equally warming to the idea and sees it as an element that could help the country to continue the economic boom of recent years. The Chamber of Commerce in South Korea has adopted greater transparency as the cornerstone to bring the country out of current economic slump. In Latin America programs have been put in place to promote greater transparency (Hansen, 2001). In Russia, the companies that survived the 1998 crisis have learnt that transparency and good governance are necessary to restore and maintain the confidence of creditors and investors, and to bring Russia's companies to true market value in the global economy. The drive towards International Accounting Standards (IAS) (Hansen, 2001), combined with both internal and external pressures for greater transparency in the wake of crises and the current economic downturn, could create the conditions for better development management particularly for emerging economies.

Barrett (1997) suggests that successful leaders in the 21st century need to find a dynamic balance among the interests of the organization, the interest of the employees, and the interests of the society as a whole. To achieve this target, they may need to take account of the shift in values that is taking place in society, and the growing demand for accountability. This calls for transparent governance. The lack of transparent governance seems to be one of the major reasons for financial crises in emerging economies. For example, the 1994 Turkey crisis was attributed to ever- increasing mismanagement (Muradoglu, Berument, and Metin, 1999).

Muradoglu et al (1999) support the need to understand the emerging markets better so that some of the shortcomings could be addressed through effective strategic planning. For example the Turkish Republic has experienced seven major economic bottlenecks since World War II- 1946, 1958, 1970, 1979-1980, 1984, 1994 (Muradoglu et al, 1999) and 2001 (Roche 2001). This generates a lot of interest to understand the causes of such crises, because the effects of such crises could spread to other nation-states or region-states. Meldrum (2001) asserts a recent major study has shown that Zimbabwe's economic collapse has caused about US$40 billion worth of damage to South Africa and other neighboring nation-states. With inflation at 76% and unemployment at over 60%, Zimbabwe's economic collapse is likely to cause more damage to the neighboring nation-states, unless major steps are taken to reverse the current downward trend. The problem of unemployment could get worse with some companies relocating into regional and international markets as a survival strategy. The reasons for relocation include the shrinking economy, lack of confidence and inconsistent government policies. Kaminsky and Reinhart (2000) warn that the crisis in emerging markets can be spread into the rest of the world, through trade and the financial sector links as we move towards a more global economy. The conditions that may lead to a crisis in an emerging economy can be unique to that economy and naturally different from those in developed countries hence the need for a culturally embracing theoretical economic development process-planning model for emerging regional economies.

Roche (2001) observes that a new emerging market crisis has emerged in Brazil and Turkey. Both nation-states may be forced to devalue their currencies, and Argentine may have to cut its budget. The situation in Turkey and Argentina was possibly created mainly by the countries' reliance on high-cost foreign capital to fund unsustainable external and fiscal deficits that are normally government's fault. The result is the cost of the debt is higher than the rate of growth so that any budget will automatically keep debt growing faster than GDP. A contingent weakness observed in emerging economies, for example Argentina and Malaysia, is a currency peg that results in an unsustainable high exchange rate (Arora, 2001; Roche, 2001). Such a currency peg could create serious shortage of foreign currency in financial institutions while the black market flourishes. For example Zimbabwe pegged its currency at US$1 to Z$55 in 2001, and the black market is trading at US$1 to anything in the range of up to Z$350. The shortage of foreign currency in Zimbabwe seems to have crippled all sectors of the economy. Roche (2001) asserts,

> Contagion is channeling along these arteries and will take out emerging markets that share these death characteristics. ... unless political transformation makes tough domestic reform and much smaller government an embedded policy. ... Not all emerging countries have these death characteristics. South Africa looks set to run a big surplus. Its government is a net saver. Sure, the country has a pile of challenges-but none of them are drivers of this crisis" (p. 16).

As suggested by Roche (2001), the death characteristics are identifiable and if so, measures could be taken to alleviate the impact of the crises on the economy. Arora (2001) warns that global economy is a good move but it exposes the world economy to more crises because financial deregulation often runs ahead of prudence. The possibility of financial crises occurring could be reduced through sound macroeconomic policy, and well functioning, well regulated domestic financial intermediation in emerging market countries, as well as greater resilience of financial systems in developed countries (Arora, 2001; Roche, 2001). If we realize that globalization is a process and not a steady state, then our practical concern should be more on managing the transition from 'here to there'. The challenge therefore lies in managing the current to achieve the ideal. This calls for technocrats to do effective strategic analysis, development and management, and willingness on the part of leadership and all stakeholders to adhere to the common goals and development path.

While emerging economies like South Africa may not have the drivers of the contagion and seem to be doing well economically, their vulnerability to the emerging market contagion may not be ruled out. The pressure on the South African Rand intensified following the emerging market crisis in Turkey and Argentina. The country's stalled privatization for the South African power utility Eskom (one of the five biggest in the world and produces at least 50% of all sub-Saharan Africa's electricity), and the standoff between the government and illegal squatters may erode investor confidence (Roche, 2001).

Consistent with Roche (2001) this study accepts the idea that the IMF-style solutions seems to have failed to address problems like, lowering interest rates, reviving growth, and balancing the budget for emerging economies like Turkey and Brazil. The idea of devaluing the currencies would make emerging economies' exports cheaper and more competitive, but their imports would be very expensive. The cheaper exports would help lower inflation in developed countries and raise inflation in emerging economies. This makes strategic analysis, development and management critical processes for emerging regional economies if they are to break the vicious circle of poverty and underdevelopment that are typical of high inflation economies. Roche (2001) posits, "So this emerging-market crisis will kill those economies whose governments have not been willing to reduce their size and loosen their bureaucratic grip on the private sector. But it will not damage those emerging economies that have implemented reform." (p. 16).

Writing on East and Southeast Asia's newly industrialized and emerging economies, Chu and MacMurray (1993) say that the strategies and organizational approaches that have made the business groups in these countries so successful in the past may not necessarily serve them well in the future, as they pursue further growth and diversification. They are entering an era that is open and more demanding-an era that will severely test their established business formulas. The new environment may require them to have more resources to reshape themselves for the new environment or else they will stall abruptly as customer, competitor, and regulatory changes sweep the region.

All these organizations have survived in the fastest growing region partly in two different ways: by restructuring, or by building superior skills and creating value in established business units. Chu and MacMurray (1993) argue that the current formulas of entrepreneurial growth may be running out of steam because of competition as a result of deregulation and privatization. Some have not defined their long-term business priorities nor have they invested in the skills needed to assure success in a more competitive environment. Some are very diversified, while others are over-centralized, and their management processes are too ad hoc or complex for their scale of business. Chu and MacMurray, (1993) suggest that "By seizing immediate opportunities at the expense of building deeper skills and reshaping their businesses, they may fail to create a platform to launch a new wave of regional-or even international--expansion in the future" (p. 119). Strategic thinking and planning seek out growth opportunities through complementing the skills and competencies of its human capital. The strength of any business comes from tapping into all the capabilities and competencies of its people (Shanahan, 1999). The competitive difference is how well the organizations use people and how well people are brought into the participative process. A sustainable solution may be to first work on the human system at the three levels of senior management, middle management, and front-line supervisors and operators, in such a way as to communicate consistent beliefs and assumptions throughout the organization- and to drive for real performance change. There is need to focus on selected businesses, where funds, skills, and management passion are concentrated. In emerging regional economies businesses have to think creatively about whether and how to extend established skills into new markets and businesses at national, regional, and interregional levels. Their competitive strength may lie in their ability to transfer knowledge and expertise to identified environments to facilitate the creation of a coherent system for value delivery system (Crainer, 1999).

Businesses may adopt different strategies for extending into new markets. Major US, Canadian and Mexican corporations took moves to create North American business strategies and structure even before the NAFTA was approved. Efforts to rationalize and integrate the business enterprises were made to meet global competition, reduce excess capacity, enhance quality in design, production, delivery and service (Krajewski, Blank, and Yu, 1994). Krajewski et al (1994) suggest that sometimes markets can be serviced better by regional than by national sites. It is important to note that the most powerful factors driving these markets include perceptions of globalization, increasing competition and change in competitive advantage. Krajewski et al (1994) suggest that national issues, political and regulatory factors are no longer viewed with the same weight as in the past. This could be very debatable in view of the critical role played by domestic politics in economic development for emerging regional economies. This could also vary one culture to another.

Market presence may also be expanded through the flexible adoption of exporting, collaborative or investment modes- but this tends to be opportunistic and generally proactive (O'Farrell, Wood, and Zheng, 1998). Most firms react to specific circumstances, some withdrawing to their home market while others sustain a foreign presence. Some organizations tend to focus on inter-firm arrangement, and neglect the overriding strategic importance of project-based links with clients. But there is very low degree of variation in choice of entry modes, although the Dutch companies have a greater to sub-contract, the Dutch and the British firms have a tendency to establish partnerships, and the British companies to forge joint ventures (O'Farrell et al, 1998). However, regional influences on foreign market development are evident.

Strategic planning is critical in planning for emerging economies because it facilitates: first analysis of the extent to which the economy departs from the vision statement; second, diagnosis of how and why any departure from more desirable outcomes may have arisen; and third, how public policy and private resources might be mobilized to move the economy closer to the vision (Bradley and Hamilton, 1999). In their study on Northern Ireland, Bradley and Hamilton emphasize the importance of research and development, outward orientation, and uptake of new technologies in strategic planning for economic development.

In South Africa, the government adopted a vision for social and economic transformation, with the question of reshaping the space economy emerging as a focus for policy attention. In order to achieve this, the South African government adopted the Growth, Employment and Redistribution (GEAR) as its macro-economic strategy. The strategy was meant to confront the related challenges of meeting basic needs, developing human resources, and participation in the democratic institutions of civil society. The emphasis in GEAR was firmly upon the importance of making a competitive outward-oriented economy, tariff liberalization, nurturing an environment for confidence and a profitable surge in private sector investment (Rogerson, 1998). Under GEAR, the South African government was expected to establish preferential trade agreements with international trading blocs expand private sector capital formation, promote the manufacturing sector, and enhancing the capacity of small business to comply with the challenges of an internationally competitive economy. Private sector capital formation was to be promoted through controlling inflation, exchange control reforms, and limiting the volatility of the Rand. The manufacturing sector was to be promoted through promotion of research and innovation, and industrial cluster initiative. The capacity of small businesses was to be done through expanding access to finance, training, subcontracting opportunities and technology. Herrling (1997) says, "Even though Africa continues to undergo political, social and economic adjustment and transition, the continent offers enormous trade and investment potential." (p. 31). This is largely attributed to a growing demand for African commodities, policy and monetary reforms. The full realization of the potential is limited by lack of infrastructure-roads, power, and telecommunications facilities. Due to the fact that emerging economies may not have efficient information systems, for example information on company performances is very limited (Kaminsky and Reinhart, 2000), speculative activity and thin trading are more common.

Agundu and Karibo (1999) posit that many organizations have escaped being submerged in harsh and ever-challenging scenarios of their economies through successful mergers to form stronger commercial and industrial units. Some of the reasons for merging are financial synergies, maximizing available opportunities, harnessing economies of scale, manage competition, and attain lofty growth and development heights. The world economy seems undergoing a long-term transformation from a multitude of local industries confined by national economies to a set of integrated industries that operate across geographic boundaries. Therefore a merging option, in so far as prior analyses indicate significant possibilities of earnings maximization, risk minimization, and general corporate health promotion, would be a strategic decision.

Businesses now need globally integrated strategies that maximize commonality and standardization across all countries, while minimizing the cost of local adaptation-that is designing products that are truly global from the start rather adapting a home country product to each new foreign market (Yip, 1996). The strength of multinational or international organizations lay in a high degree of local responsiveness (Crainer, 1999). Schein (1985) makes significant contributions towards strategic planning for emerging regional economies when he advises that corporate values define the standards that guide the external adaptation and internal integration of organizations. Corporate ethical values help establish and maintain the standards that delineate the "right" to do and the things "worth doing" (Jansen and Von Glinow, 1985). These include honesty and full disclosure, and engaging in practices that do not bend or break the rules for the sake of profit maximization. For example, the Chinese government made use of local experiments to build market competition between regions (Financial Times, 1996). Yip (1996) underscores that the new global strategy does not mean one approach for every country. The final strategy would depend on the industry's global needs, a company's competitive position and internal resources. However, Yip (1996) warns,

> Formulating a strategy is only one piece of the puzzle for companies to be truly global. Equally important are the strategy's implementation and the development of an internal organization that allows for international

> coordination. Without all these three working in concert, a global strategy cannot be successful. (p. 67).

These ideas emphasize the importance of a holistic or systems approach to the strategic planning process. Carson (1994) identifies five key variables in strategic planning. The variables are: defining the current mission of the organization, identification of the external forces influencing current mission accomplishment, identification and description of internal forces influencing current mission accomplishment, defining the future mission of the organization, and identification of the forces to be changed for accomplishment of the future mission. The variables underscore the importance of a systems view in strategic planning in economic development for emerging regional economies.

Trading patterns in the world seem to be changing continuously in terms of both composition and direction, and seem to point to an increasing globalization of world trade. As a result trading links are being strengthened in some cases at the regional and sub-regional levels, through efforts by groupings of countries to reinforce commercial ties with neighboring countries (Roelofsen, 1993). According to Davis, Gabel, and Coleman (1998) in Latin America, trade pacts which led to more foreign investment and the ability to operate as a coherent entity in the region seem to have been the key to success for many of the firms.

The renewed interest in regional integration in Latin America in the 1990s must be understood in the context of global transformation of the economy (Davis et al, 1998). Such integration facilitated greater access to export markets and enhanced competitiveness of the region as a whole in global markets through bilateral and multilateral trade agreements. Some of the multilateral trade agreements are; NAFTA

(US, Canada, and Mexico), the Andean Group (Colombia, Venezuela, Peru, Ecuador, and Bolivia), MERCOSUR (Argentina, Brazil, Chile, Uruguay, and Paraguay) and the Central American Common Market (Costa Rica, Panama, Guatemala, El Salvador, Honduras, and Nicaragua). The possibility of some nation-states leveraging decision-making processes than others was expected (Davies et al, 1998). Such expectations are not unique to Central America. For example, Financial Times London Edition (1998) says that in the Nile water project that involves Egypt, Sudan, Eritrea, Ethiopia, Uganda, Tanzania, Rwanda, Burundi and the DRC, elements of monopoly in decision-making seem to emerge in favor of Egypt. This is attributed to Egypt's economic strength and the political weight that implies. Within this group, Egypt is the main source of investment capital for development projects.

Outside Africa, the Central American Common Market was reinvigorated after realizing that lasting peace could be achieved through regional development and democracy. The civil turmoil among the Central American nation-states led to substantial decreases in intra-regional trade, with changes averaging –13% a year, for the period 1980 (highest) and 1986 (lowest) (Davis et al, 1998). In an attempt to rebuild their economies, thrice-yearly meetings of economic cabinets were held and in attendance were ministers of the finance, economy, planning, agriculture and livestock, and the presidents of the central banks. Such moves seem to show a realization that development is a process and a product of deliberate effort by the powers that be. This emphasizes the role of strategic planning for economic development for emerging regional economies.

The participation of presidents of central banks was a move in the right direction particularly when it comes to issues related to monetary policies. Their contributions in such meetings could be more effective if they could have a high degree of independence. The inclusion of some Chief Executive Officers of national, international or multinational organizations that could be directly affected by the proceedings of such economic cabinet meetings could add more weight to outcomes of such meetings. This could go a long way in building consensus among stakeholders and lead to enduring development for emerging regional economies.

However, Roelofsen (1993) regrets that there is limited trade between neighboring countries due to limited information on existing market opportunities in terms of adequacy and accessibility. As a result foreign trade initiatives tend to have a bias towards more transparent and more competitive global markets. A three-step approach is proposed to develop regional market potential in a systematic way through the International Trade Center (Roelofsen, 1993). The first step is to make trade flow analysis. The second step is to make a series of supply (products available for export) and demand (import requirements) surveys. The third step is to organize buyer-seller meetings. Dissemination of the information to all parties who have a potential interest in interregional trade expansion is very critical. This has proved successful in generating new business with the Preferential Trade Area for Eastern and Southern African States (PTA) and the Economic Community of West African States (ECOWAS).

> The potential for trade expansion among developing countries at the regional level is considerable; usually surpassing by far the current trade flows among the countries. Existing opportunities can be identified through a systematic analysis of trading complementarities, followed by product-and enterprise-specific action designed to take advantage of these opportunities. (Roelofsen, 1993, p. 21).

The debate on 'strategy' seems to have taken a center stage in the SADC region where regional leaders met in Zimbabwe in September 2001 in an attempt to resolve the land crisis in Zimbabwe. In their deliberations, the leaders acknowledged that the land problem needed to be addressed once and for all, but they expressed misgivings on the current strategy of implementation whose negative effects were already being felt in the whole region, with the fears that the effects could spread throughout the continent. From an economic perspective, the strategy has led to a number of changes. These include acquisition of commercial farms by blacks, withdrawal of most of donor aid to Zimbabwe, current moves to de-link Zimbabwe from the international community, loss of potential investment in the SADC with South Africa alone, the economic power of Southern Africa, having lost over $1 billion worth of investment for the period stretching from February 2000 to August 2001, and threats of food shortages in Zimbabwe, the once breadbasket of Southern Africa (Financial Gazette, 09/13/2001).

SADC leaders held a series of similar meetings that centered on "strategy" during the period 1999 – 2001 in a bid to find a common strategy for resolving the civil war in the DRC but no consensus was reached. These developments seem to suggest the complexities involved in strategic analysis, development and management at regional level. The developments seem to suggest that regional interdependence is one of the pivotal forces working in the world today (Bennis, 1991). The absence of consensus could undermine development in the region due to lack of investor confidence and continued investment of resources in a protracted war. Such resources could be invested in generating growth opportunities for the region. More importantly, the absence of consensus suggests the need for more effective strategic analysis, development, and management at regional level for prompt effective and efficient handling of issues that impact on regional prosperity.

## Summary

This section of the study has examined the concept of strategic planning as an analysis, a development and management tool and process that may help emerging regional economies achieve enduring development in the face of many and varied forces of change both in the internal and external environments. Their key challenge is the translation of the broad macro trends into relevant variables that can be used in strategic decision-making.

## Chapter Summary And The Way Forward

The literature review conducted for this study has enabled the researcher to explore the synergies associated with development of patterns for alliance building in emerging regional economies, economic development models, and strategic planning for regional economic development. Important patterns and trends emerged.

# CHAPTER 3: ECONOMIC MODEL FOR SUSTAINABLE REGIONAL DEVELOPMENT

## Introduction

The purpose of this study is to develop and examine for face validity, a culturally embracing economic model for sustainable regional development. Building on the literature review conducted, a theoretical model is evolved. The model embraces what we believe are the critical variables for a culturally embracing economic model for sustainable regional development. Table 1 is a comprehensive summary of the critical factors, factor rationale, and factor outcomes for the model, All these dynamics interact in a well-defined dynamic framework - the emerging regional economy: 'economic melting pot' phenomena. This is illustrated in Figure 6 below.

## Theory Evolution

In this study we have proposed a model to explain the process through which a culturally embracing theory for sustainable regional development evolves. It is the purpose of this chapter to present the model, identify critical factors of the model, provide rationale for the factors, and identify the intended outcomes.

Table1. A Culturally Embracing Economic Model for Sustainable Regional Development

| Critical Factor | Factor Rationale | Factor Outcome |
|---|---|---|
| Actors identities/ Interests (Global, regional, national, sub-national, state, civic society and business. | Multiple actors have different interests and levels of interdependence. Need for consul-tation and consensus building in making strategic choices. Enduring economies require commitment and participation of all stakeholders. The need to understand which interests and identities change over time. All interactions start with some shared interests. Indispensable institutions | Well-articulated and shared vision. Culturally embedded transformation of actors' identities and interests. |
| Actors' Levels of Practices (Global, regional, national, and sub-national) | There are different actors' levels of practices. There are different levels of actors whose dominance and importance vary in space and time. | Diffusion of value-laden interdependence, independence and dependence. |
| Motivation | The motive for the interaction is based on affective, cognitive and material variables. | Pursuit and accompli-shment of shared goals. |
| Internal forces (Cultural, political, social, psychological and economic) | Regions are social constructions, they are constructed by historical contingent intera-ctions. Social constructions are products of social interactions. All human systems are value-laden. The values interact along different dimensions and influence decision-making processes and outcomes | Achievement of shared norms and values, and the emergence of new forms of cooperation and community. |
| Global Economic Forces (Ecological base, political, social, economic, psychological expressed through intrusion seeking and invitation response | Globalization and regionalization influence each other. All regional, national and sub-national initiatives/operations are done within a global economy.. | Emergence of value laden capacity building, networking and business modeling. Permeability and fluidity of borders. Increased market opportunities, investment, technology and expertise. Globalization sets the rules of the game |

Table 1. (continued)

| | | |
|---|---|---|
| Emerging regional economic capacity seeking and building behavior. | Choice of development path a prerogative of region. Ensures security and commitment to interdependence. Basis for interactions and emergence of region-state with shared norms. Value-laden capacity seeking and building. | Strategic business modeling. Performance audit. Better cohesion and reduced tension; |
| Cultural ecological, political, social, psychological and economic dimensions | Critical element for explaining development. All process elements emerge from given cultures. Domestic politics and security. | Development of super -ordinate cultural norm set. |
| Economic system technical capability and philosophy. | Ability to participate and implement plans. Norms, values and behavior that guide conduct of business. All business practices are guided by some philosophy. | Understanding of current skills, competencies and gap analysis. Capacity building. Sustainable development. |
| Ecological base - man, nature, natural resources and environmental conditions | A necessity. Supports sustainable development. Indispensable. Create potential for development. Provides the context. | Culturally embedded sustainable development |
| Vision | The ideal that inspires the region-state practices. | Overarching philosophy and structural change to support achievement of shared goals |
| Strategic business modeling for competitive advantage. | Baseline for development path and sustainability. | Viable, feasible, competitive and strategic decision-making |
| Total quality management | Enduring commitment to super-ordinate vision and development path. | Transparent quality management practices. |
| Conflict negotiation and system sustainability | The need for emergence of fluid-strong spider-web patterns that hold the factors together. Mutliple factors create potential for conflict. | Cohesion, sensitivity, focus, flexibility and ability to cope with change in time/space. |

(Chitsika & Geroy, 2002)

Emerging Regional Economy: "Economic Melting Pot" Phenomena

According to Breslin and Higgott (2000) and Hettne and Soderbaum (2000) the new trend of regionalism is a complex process of change, involving multiple actors, and occurring as a result of global, regional, national and sub-national forces. These processes and actors interact along different dimensions and at various levels, and their dominance and importance vary in space and time leading to complex formations and transformations, constructions, deconstructions and reconstructions, of phenomena hence the label 'economic melting pot' in Figure 6. This is in line with Wheatley's (1999) argument that we inhabit a world that co-evolves as we interact with it. It is therefore necessary to focus on relationships within networks rather than simply looking at cause and effect. Wheatley posits that it becomes critical to sense the constant workings of dynamic processes and then notice how these processes materialize as visible behaviors and forms.

Figure 6 shows the overall framework in which regionalization and regionalism take place, leading to the emergence of a region-state as a social construction (Breslin & Higgott, 2000; Hettne & Soderbaum, 2000). The power and future of the emergent region-state lie in 'autopoiesis', that is self-making. Wheatley (1999) says " Autopoiesis is life's fundamental process for creating and renewing itself for growth and change. A living system is a network of processes in which every process contributes to all other processes" (p. 20).

Two critical perspectives underlying the emergent process constructivism model are shown in Figure 6. These are the target environment awareness seeking adaptive phenomenon that is associated with participant's choice, and the target environment awareness non-seeking imposition phenomenon that is associated with participant's non-choice. Our model lies within the target environment awareness seeking adaptive phenomenon –participant's choice perspective but acknowledges the presence of the target environment awareness non-seeking imposition phenomenon –participant's non-choice perspective.

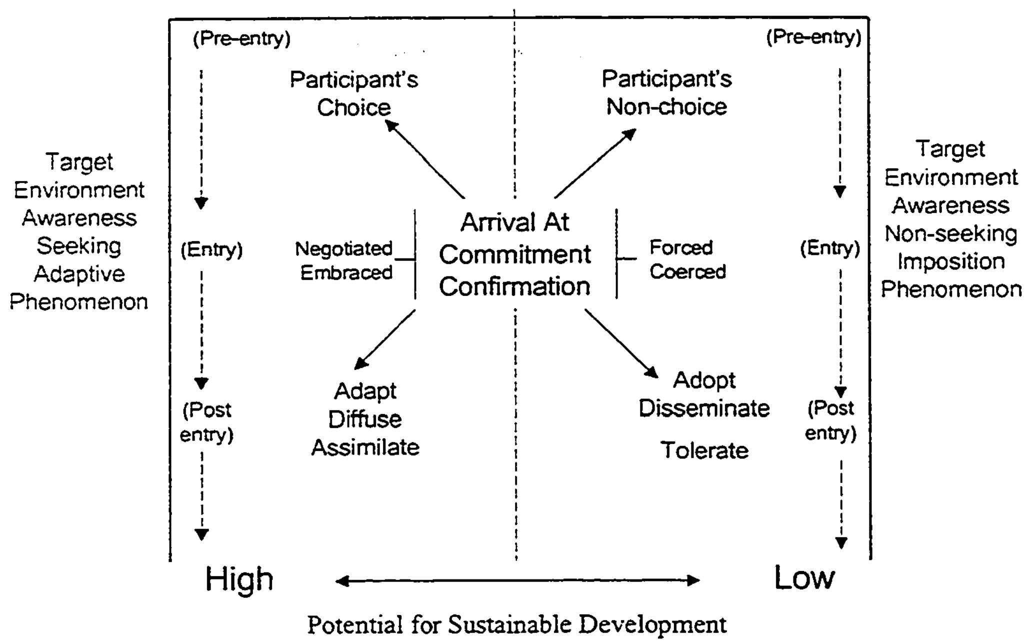


Figure 6. Emerging Regional Economy: 'Economic Melting Pot' Phenomena (Chitsika & Geroy, 2002)

Participant's non-choice perspective

The elements of the target environment awareness non-seeking imposition phenomenon –participant's non-choice perspective include, pre-intervention, intervention from within the region-state or from outside, commitment confirmation to the intervention initiative is arrived at through force or coercion. This seems to be the main strategy used for the economic structural adjustment programs. After the confirmation level the region-state is expected to adopt, disseminate, and tolerate the intervention initiatives. The potential for sustainable development is very low (Figure 6). This appears to be the main strategy used by the current dominant economic development models discussed in Chapter Two.

Participant's choice perspective

The intervention strategies for our model lie within the target environment awareness seeking adaptive phenomenon –participant's choice perspective. This perspective is characterized by pre-intervention, intervention from within the region-state or from outside. This is followed by commitment confirmation to the intervention initiative that is arrived at through negotiation. The intervention initiative is then adapted, diffused and assimilated. The potential for sustainable development is high (see Figure 6). The culturally embracing economic model for sustainable regional development is founded in this framework.

The element of negotiation implies interaction. Figure 7 shows the dynamic interactive processes and outcomes within an emerging regional economy. It shows the critical factors of the interactive processes and emphasizes the issue of participant choice by focusing on seeking and leaving out submission on emerging regional economic capacity behavior.

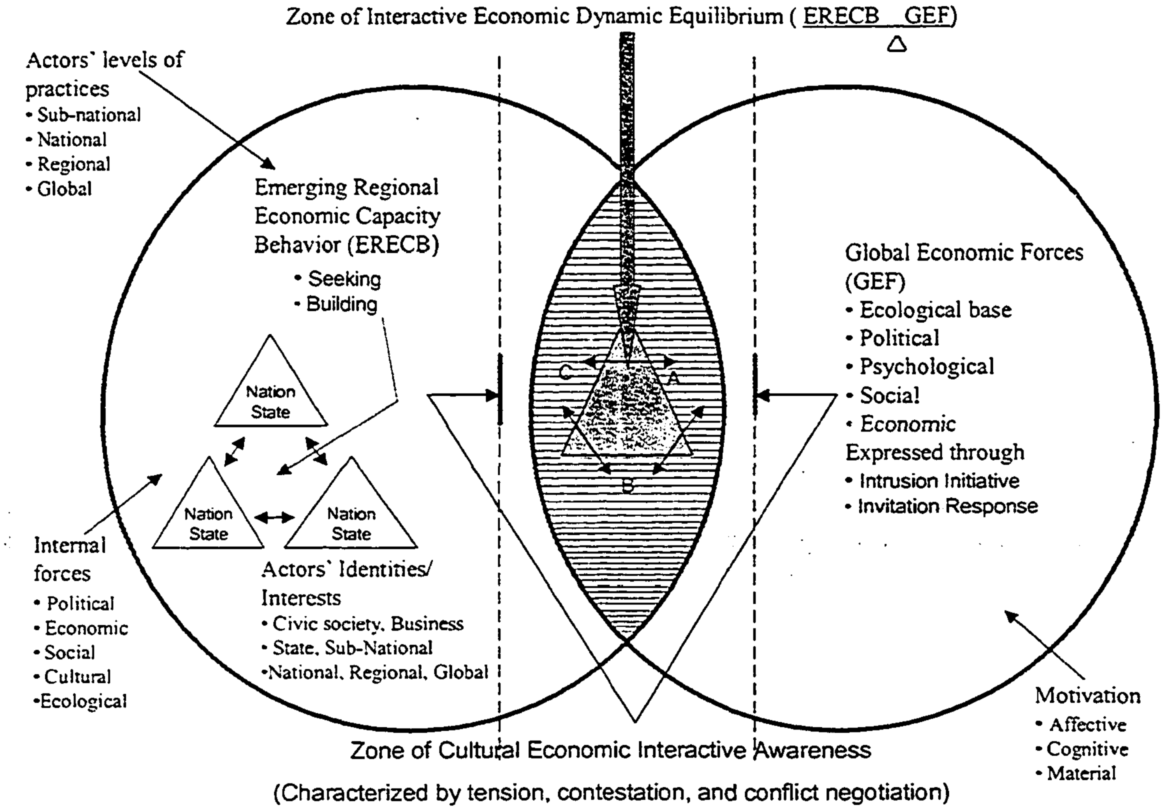


Figure 7. Emerging Regional Economy: Critical Dynamics (Chitsika & Gerov, 2002)

Legend:

A – [Cultural Dimensions]
B – [Ecological Base]
C – (Economic System Technical Capability and Philosophy]

In attempt to shed some light on these processes and outcomes, the researcher now focuses on a brief explanation of each of the critical variables, factor rationale and intended outcome.

## Critical Factor One: Actors' Identities/Interests

The model proposes that in emerging regional economies there are multiple actors with different interests and identities (Figure 7). The actors include the state, civic society, and business. This is consistent with Cosio's (1998) idea that regionalization is dynamic and it involves many social actors who define, negotiate and construct their problems. The presence of multiple actors shows the need for broad consultation and consensus building in making strategic choices and decisions. The idea of consensus and commitment seeking in emerging regional economy is supported by Das (2000) who says that the key to success for region-states seems to lie in collaborative advantage through strategic alliances. According to Brown (1998) there is a great deal of insight that is gained from a careful analysis of the same issues from multiple, subjective points of view. Stigson (2000) advises that government, civic society and business need to remove old out-dated antagonisms, forge new alliances, and co-operate together as partners to find and implement workable and sustainable development initiatives. This is consistent with Gore's (2000) idea that change should not be imposed from outside but requires ownership, participation, partnership and consensus building. We accept Cameron and Stein's (2000) argument that the nation-state remains the most important repository of legitimate and accountable governance. As such governments are held accountable for their stewardship of society and to give voice to all stakeholders.

In some contexts, some groups have limited access to the people who are who have political power (Brown, 1998). Pentland (1999) acknowledges the existence of pervasive structural tensions in organizations: equality versus inequality, security versus insecurity, and control versus lack of control. Pentland raises cultural difference in handling organizational tensions by saying that in some organizations asking the 'big chief' to follow rules gets one to be fired, but in other cultures it makes one a good citizen.

Critical Factor Two: Actors' Levels of Practices

The social interaction occurs between inter-subjective structures or actors' levels of practices that include global, regional, national and sub-national (Figure 7). This is an acknowledgement of the fact that there are different levels of actors whose dominance and importance vary in space and in time (Breslin & Higgott, 2000). The process of interaction creates an opportunity to understand which interests and identities change over time. The interactions lead to the diffusion of different levels of value-laden interdependence, independence and dependence. The interactive processes could lead to a culturally embedded transformation of actors' identities and interests. The transformed entities will articulate a shared vision that inspires sustainable development for the region-state. But what motivates the interaction?

Critical Factor Three: Motivation

The motive for the interaction is based on affective, cognitive and material variables (Figure 7). The variation in motives is echoed by Kogut (1988) who identifies two motives for participating in a strategic alliances as to obtain each others' resources and to retain and develop one's own resources by combining them with others'. Kogut's idea fits very well in a regional economic framework because not all nation-states are equally endowed with resources like technology and knowledge. The issues of retaining and development of own resources imply resource accumulation. According to Das (2000) resource accumulation influences the region-state competitive strategy and would determine the region-state accomplishments. Resource retaining and development would have the potential to fuel regional economic growth and development, unlike the center-periphery imperialist dependency model that seems to be associated with exploitation of emerging regional economies (Fagerlind and Saha, 1997). The variation in motivation suggests the need for flexibility on the part of the emerging regional economic culture and the global economic culture so as to accommodate the different motives of the different actors. Taking cognizant of the diverse motives of the multiple actors is a very critical element in formulating a sustainable culturally embracing regional economy. It reduces opportunities for exploitation of some actors/identities. It promotes commitment to the accomplishment of shared goals.

Financial Gazette (2001) emphasizes the importance of commitment to the superordinate vision and goals to sustainable economic development for emerging regional economies when it says that in eight years some three.nation-states of the SADC have not ratified the trade protocol that creates SADC's free trade area. Then if the region-state priorities do not include facilitating free trade, the impetus for economic development, the notion of sustainable regional economy under such circumstances remains a dream. Das (2000) shows the importance of trading by saying that trading and accumulation of resources is a strategic necessity. The interactive processes could be a result of internal influences, which include political, social, economic, ideological and cultural, and/ or global economic culture as external influence, which include intrusion seeking and invitation response as illustrated in Figure 13.

## Critical Factor Four: Internal Forces

The internal influences consistently interact along political, economic and cultural dimensions (Figure 7). Such value-laden interactions offer the actors an opportunity to understand their different levels of dependence, independence and interdependence within the region. This gives birth to emerging regional economic capacity seeking behavior (see Figure 7) in an effort to access the global market and actively participate in the global economy. This is consistent with Becker's (1986) idea that when people have problems, these problems cause them to forge new definitions, to discard old ways and to change. This enables people to change and grow and then learn more about themselves through the interactive process This is consistent with Hettne and Soderbaum (2000) submission that regions are social constructions -they are factored by historically contingent interactions. As the values interact on different dimensions they influence decision-making processes and outcomes leading to the achievement of shared norms and values, and the emergence of new forms of cooperation and community, and finally the emergence of a region-state. The shared values and norms help promote better cohesion and reduce tension between the actors. Better cohesion and reduced tension create an opportunity for the region-state to focus on its competitive strategies and development priorities. The idea of better cohesion and reduced tension suggest the need for positive relationships within the region-state. Wheatley (1999) suggests that with relationships we give up predictability and open up to potentials. It is never a question of critical mass, but it is always about critical connections (Wheatley, 1999).

In order for the region-state to realize its goals, it adopts strategic business modeling and performance audit as key elements of its development strategies (Goodstein et al, 1993). Gore (2000) advises region-state to focus on performance assessment of all sectors of the economy.

Critical Factor Five: Emerging Regional Economic Capacity Building/Seeking Behavior

The emerging regional economic capacity seeking and building behavior (Figure 7), that is value-laden, provides a strong foundation for continuous interaction and commitment to interdependence. By 'capacity seeking and building' the region-state acknowledges its sustainable development needs and takes upon itself the responsibility to choose its development path. If the region-state chooses a development path through broad consultations, there is high commitment to the superordinate economic goals and there is congruency between region-state and individual nation-states expectations. Such consultations and congruency promote political, social and economic security of the multiple actors and lays a strong foundation for a sustainable culturally embracing regional economy. In order for the region-state to realize its vision, the shared norms and values should guide business practices. Having examined the internal influences, the researcher now turns to external influences- the global economic forces

<u>Critical Factor Six: Global Economic Forces</u>

All region-state, nation-state and sub-nation-state development initiatives are done within a global economy. The model acknowledges that regionalization and globalization influence each (Figure 7). This is consistent with Breslin and Higgott's (2000) and Cohen's (1993) argument that regionalization can be both a response to and a dynamic behind globalization one and the same time. Globalization and regionalization could be seen as mutually supporting. Therefore the region-state should take cognizant of the global forces that influence formulating a sustainable culturally embracing regional economy. This is consistent with Fagerlind and Saha's (1997) argument that societies evolve through the processes of integration, disintegration, and reintegration, taking into account, both internal and external forces. The need for emerging regional economies to be sensitive to the global economic culture is reflected by Financial Gazette (2001) that says by re-introducing socialism in some nation-states when the world is pushing for market-oriented policies, such nation-states may no longer be an option for investment. If emerging regional economies fail to attract investment, then opportunities for economic growth and development may be very limited

The global economic cultural influences fall into two categories. The first category includes those influences that are inevitable and beyond the control of the region-state, for example, global economic recession. In the event of a global economic recession, all the region-sate can do is to alleviate the impact of the recession on its economy. The second category includes intrusion seeking and invitation response (Figure 7). This category shows that the initiative lies with the region-state-participant choice. The region-state commitment confirmation to such initiatives is arrived at through negotiation- an interactive process.

The interaction between the emerging regional economic culture and the global economic culture occurs in the zone of cultural economic interactive awareness (see Figure 7). According to Hettne and Soderbaum (2000) the dynamics at this state imply the emergence of different processes of communication and interaction between different actors, and along economic, political and cultural dimensions. This results in the emergence of value –laden capacity building, networking and strategic business modeling. The capacity building process includes increased investment, technology transfer, and knowledge transfer and development, to establish and support sustainable domestic industrial development that actively participates in the global economy. The idea of knowledge development is consistent with Fagerlind and Saha's (1997) notion that the most efficient path to nation-state/region-state development lies in the improvement of its population-its human capital. This is consistent with Banuri et al's

(1994) point that SHD is people centered, implying that it is development of the people, by people, and for people. This interactive process leads to more permeable and fluid territorial borders, and increased market opportunities. This is consistent with Cameron and Stein's (2000) idea that as the processes of globalization intensify, the nation-state borders become more permeable and fluid.

The continued social interaction between the emerging regional economic culture and the global economic culture leads to the emergence of the zone of interactive economic equilibrium (see Figure 7). This matches Hettne and Soderbaum (2000) emergence of a region state-where in terms of political order, constitutes a voluntary evolution of a group of formerly sovereign national communities into a new form of political entity where the sovereignty is pooled for the best of all, and which is democratic. At this level power, decision-making and authority are decentralized (Hettne & Soderbaum, 2000; Knapp, 1994). The notion of decentralization is consistent with Cameron and Stein's (2000) suggestion that the reach of the nation-state tends to be redefined in the face of global forces, and large areas of policy are no longer primarily within its control. According to Cameron and Stein as the reach of the nation-state tends to contract, the 'democratic deficit' over policy tends to grow, and other actors, newly vibrant, often transparent, and directly accountable to their communities, tend to be increasingly empowered. Such processes may lead to a durable shift from nation-state to supranational institutional arrangements on one side and the emergence of vibrant sub-national regional economies (Morales, 1995). Swyngedouw (1992) labels the process leading to the emergence of sub-national regional economies 'glocalization'. The problem raised by Breslin and Higgott's (2000) that the decentralization process and collective legitimization could be undermined by some anti-pluralistic, centralist and regime-building tendencies of many national politicians would be controlled by consensus and commitment building, and by culturally embracing total quality management practices.

The critical variables of the zone of interactive economic equilibrium are cultural dimensions, social/economic system technical capacity, and economic philosophy and policy risk as shown in Figure 8.

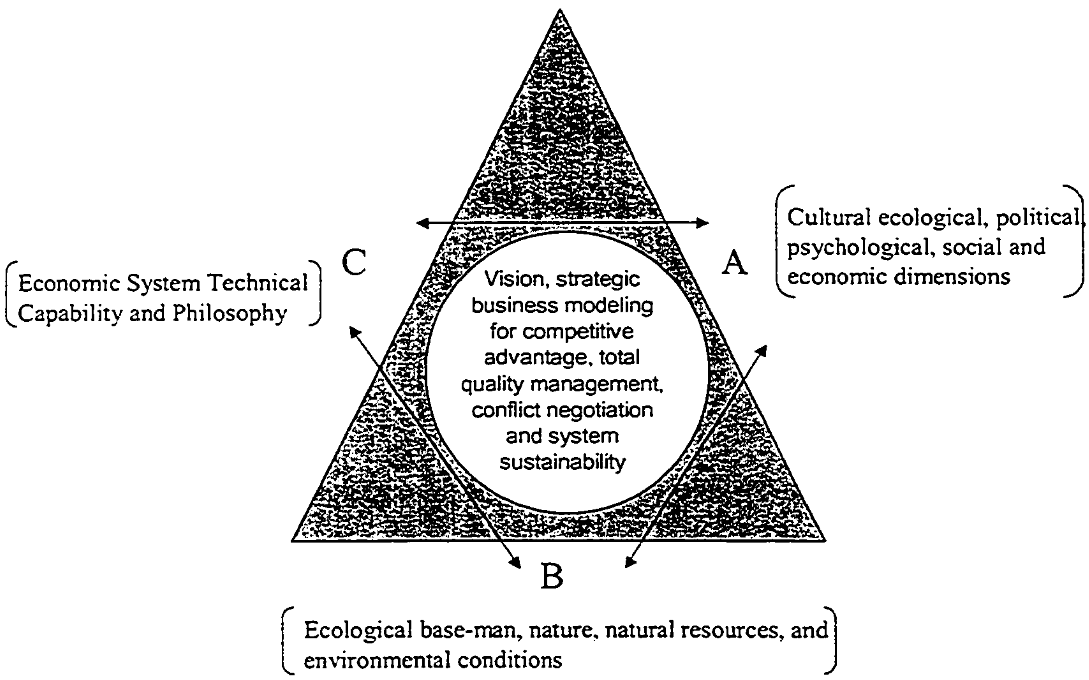


Figure 8. Zone of Interactive Economic Dynamic Equilibrium (Chitsika & Geroy, 2002)

Having presented the critical elements of the zone of interactive economic equilibrium, we now briefly examine each of them with specific focus on the rationale and intended outcome.

## Critical Factor Seven: Cultural Dimensions

Cultural dimensions are a critical element of the zone of interactive economic equilibrium (Figure 8). Becker (1986) suggests that culture is what enables people to act together. Spradley (1980) supports this idea when he says that there is interaction between culture and meanings people attribute to events. This is consistent with ideas of Breslin and Higgott (2000), Flynn and Farrell (1999), Cosio (1998) and Hettne and Soderbaum (2000) that constructivists seek to demonstrate that norms as elements of structure (alongside material conditions) can determine the interests and identity of actors. We submit that development is a social process that is culturally embedded, and all process elements of this model emerge from some given cultures. These cultures continuously interact leading to the development of a super-ordinate norm set (Flynn & Farrell, 1999). Therefore culture is a critical element for explaining development in that it permeates all decision-making processes and outcomes. Geroy et al (1997) supports this idea when they say that economic development strategies are most successful and enduring when associated political and social cross-culture interventions provide strong consideration for the cultural dimensions of both the target and provider cultures in the planning and implementation processes.

## Critical Factor Eight: Ecological Base/Capacity

The second dimension of the zone of interactive equilibrium is the ecological base/capacity (Figure 8). It embraces man, nature, natural resources and environmental conditions. These collectively create potential for development. They remain dormant until cultural dimensions impact on them. This leads to the development of an economic system with technical capability and philosophical orientation for sustainable development. This goes back to impact on the base and moves the base in a specific direction. The continuous spiral, circular, and dynamic interaction of these variables shapes the vision, strategy modeling for competitive advantage, total quality management and system sustainability.

This is an important dimension at this level in that it is very difficult to separate communities from their natural environment. It is the basis for the translation of the region-state's plans into actions. It provides the ability to participate towards the accomplishment of the shared goals. This is consistent with Das (2000) and Madhok (1997) ideas that the rationale for strategic alliances include, value-creation and value-maximization potential of organizational resources that are pooled together. A strategic combination of the resources would create the region-state's competitive position and facilitate the region-state participation in constant technological innovations and speedy entry into new markets.

Landell-Mills (1993) proposes mobilizing development efforts based on careful analysis of a region-state's natural and human resources and developed within each region-state's cultural and international context. Region-state development strategies should promote dynamic private businesses, effective and self-reliant grassroots communities and efficient government services. Sustainable development will depend on the region-state's ability to create an environment for private business. Such an environment should have two critical components namely; efficient infrastructure and supportive policies and good governance (Landell-Mills, 1993). Social policies that address the needs of the vulnerable groups particularly on issues related to food security and the provision of social services would be put in place. Institutional development is required so as to build the capacity to implement development.

At this level of interaction the norms and values of the system guide business practices. This is consistent with Flynn and Farrell's (1999) idea that in the international realm the actors develop norms to provide structure to their relations and that these norms help constitute the identity and interests of the stakeholders by creating standards for appropriate behavior. The interactive processes create an opportunity to understand the current skills and competencies. That understanding should influence the formulation of a region-state competitive strategy. It is also be used as basis for skills and competencies gap analysis, and capacity building (Donner and Hershberg, 1999). The importance of human resources development is supported by Chitsika et al (2001) when they say that improving quality as a long-term competitive strategy is achieved through best use of talents and abilities of an organization's entire human resource through human dimensions development processes.

### Critical Factor Nine: Economic System Technical Capability and Philosophy

The third critical dimension of the zone of interactive economic equilibrium is the economic philosophy and political risk (Figure 14). The importance of this dimension at this level of interaction is that, some policy framework, which is based on some economic philosophy, guides all business practices in the interest of the multiple actors. The issue of multiple actors' interests is consistent with Cameron and Stein's (2000) idea that the continuing economic and political pre-eminence of the state is no longer accepted conventional wisdom. Ekins and Newby (1998) and Gills et al (1996) say that people want to have a clear perception that they belong to, and participate in a local economy. That economy should be qualitatively different from a global economy and be very important to their welfare and quality of life of their locality. Such an economy is likely to attract their commitment and resources to make it sustainable in the face of competition from the global economy. We recognize the need for sensitivity to local needs and the critical role domestic politics play in promoting the accomplishment of shared goals. Issues that have to do with political, economic and social security of stakeholders are very critical at this level. The concern for security is echoed by Breslin and Higgott (2000) and Flynn and Farrell (1999) when they say that at this level no action is expected without collective legitimation. The interactive processes lead to the emergence of clear guidelines and rationale for all business interactions and transactions.

Within the zone of interactive economic equilibrium emerge some critical region-state tenets, which are critical factors of the model. These include region-state vision, strategic business modeling for competitive advantage, total quality management and system sustainability (see Figure 8). These suggest a convergence and compatibility of ideas, values, norms, identities and processes within a particular region (Hettne & Soderbaum, 2000; Flynn & Farrell, 1999).

## Critical Factor Ten: Vision

The vision is the ideal that inspires the region-state practices (Figure 8). Wheatley (1999) asserts that organizational vision and values are invisible forces that occupy space and influence behavior. Wheatley suggests that no organization can be an effective co-creator with its environment without clarity about who it is intending to become. This underscores the importance of region-state vision. The vision leads to an overarching philosophy and structural change to support achievement of shared goals. According to Wheatley (1999) the viability and resiliency of a self-organizing system comes from its great capacity to adapt as needed, and to create structures that fit the moment. These are process structures, reorganizing themselves into whatever form the system determines best suits the situation at hand. This is consistent with Cohen's (1993) idea that nation-based corporate organizations are breaking down and new management systems based on highly integrated sourcing, development, production, and marketing systems are emerging. The new systems erode national borders and the capacity of national governments to manage national economies (Cohen, 1993; Hettne & Soderbaum, 2000). This serves to reinforce the position of the region-state in managing the regional economy.

Critical Factor Eleven: Strategic Business Modeling For Competitive Advantage

The region-state adopts strategic business modeling for competitive advantage as a strategy for market access and determining its competitive position (Figure 8). This is critical in that it forms the basis for development path and sustainability. Das (2000) warns that traditionally organizations have focused their competitive environment and competitive position by seeking a strategic fit between their internal environment (strengths and weaknesses) and their external environment (opportunities and threats). Das proposes a shift towards focusing on accumulated resources than the competitive environment because the accumulated resources influence the organization's competitive strategy and would determine what it would accomplish. Therefore its unique resources and relationships would define a region-state competitive position. Das' ideas would inspire the region-state to focus on the pooled resources and reduce foreign borrowing. This helps the region-state to come up with viable, feasible, competitive and strategic decision-making. Giddens (1996) and Gore (2000) advise that the effectiveness of the strategies adopted to address the perceived problems depends upon the characteristics of such actors and their influence upon the constitutive elements of the determined strategy.

Critical Factor Twelve: Total Quality Management

For the system to be sustainable, the region-state adopts total quality management as a built-in element that guides and influences its business practices (Figure 8). Total quality management ensures enduring commitment by stakeholders to super-ordinate vision and development path. Helfat (1997) advises that total quality practices and strategic business modeling would ensure optimal utilization of the region-state's resources. This is consistent with Chitsika et al (2001) submission that the reasonable availability of resources is not sufficient to guarantee sustainable economic development. Chitsika et al postulate that if emerging regional economies are to aspire towards global relevance and sustainable development, the member states need to ensure, among other things, the presence of effective and efficient quality management systems that attend to cultural dimensions of planning and implementation processes. The region-state comes up with quality management practices, accountability and transparency as pillars for a sustainable regional economy.

Critical Factor Thirteen: Conflict Negotiation and System Sustainability

The whole idea of an emergent culturally embracing economic model for sustainable regional development may remain a dream if the issues that are related to conflict negotiation and system sustainability are not addressed (Figure 8). Negotiating conflict between the different economic cultures is a critical issue. There is a great deal of conflict between and within nation-states and between the global economic forces. The choice of a developmental model is a fundamental conflict issue.

The presence of multiple actors creates power struggles. Some people have more power to define cultural realities. Culture is not monolithic. Culture and power are mutually constituted. Some people celebrate diversity and others fight over what they believe. All these factors tend to make equilibrium a dream, a goal that the region-state works for. It becomes important for the region-states to come up with strategies they use to negotiate through tensions in order to achieve an interactive dynamic equilibrium and a culturally embracing sustainable system. One way of doing this could be exploring some trade-offs between the stakeholders. What makes regionalism emerge is the strength of the patterns that hold these factors together. The patterns may take different forms and may have different strengths. For a sustainable culturally embracing regional economy, fluid-strong spider-web patterns that hold the factors emerge from the interactive processes. Hettne and Soderbaum (2000) suggest that for regionalization to be successful, a certain degree of compatibility of culture, identity, and fundamental values is necessary. There is mutual trust driven by social learning (Hettne & Soderbaum, 2000). This would lead to cohesion, sensitivity, focus, flexibility, and ability to cope with change in time and in space. Ulrich and Wiersema (1989) advise that institutional and organizational flexibility is the result of new ideas influencing processes, practices and people of the organization. As the system matures and develops self-knowledge, it becomes more adept at working with its environment. It uses available resources, effectively, sustaining and strengthening itself (Wheatley, 1999, p. 83)

Summary

This chapter has presented the process elements and process characteristics of a culturally embracing economic model for sustainable regional development. The proposed theory represents a paradigm shift from the existing dominant economic development strategies that seem to be imported by or imposed on emerging regional economies. The proposed theory whose critical process elements and critical process characteristics are culturally embedded, constitutes and optimizes a successful culturally embracing theoretical process-planning model for development of successful emerging regional economies.

Our theory focuses on system dynamics rather than system structures. It underscores the importance of different voices, the primacy of interactions and social constructions, the significance of relationships and interconnectedness, and the importance of context. The continuous interaction is characteristic of self-organizing dynamics for self-organizing systems, systems that possess the innate ability to reorganize themselves, to deal with new information/situation. This helps the emergent region-state and its environment evolve simultaneously toward better fitness for each other. In the process the evolution determines its own direction and dynamics. By way of this dynamic interconnectedness, evolution determines its own meaning, hence the proposed emergent constructivism model for formulating a sustainable culturally embracing regional economy

# CHAPTER 4: RESEARCH METHODOLOGY

## Introduction

The purpose of this study is to develop and examine for face validity, a culturally embracing theoretical economic development process-planning model for emerging regional economies. Literature review has been completed in Chapter Two and a theoretical model has been created in Chapter Three. The next task is to examine this model for face validity.

According to Cronbach (1988) and Messick (1988) theory validation embraces gathering and evaluating evidence, and validity is a characteristic of the inferences and interpretations regarding specific uses of, in this case a theory, and not an intrinsic property of a theory. Therefore the term validity refers to the appropriateness, meaningfulness and usefulness of the inferences and interpretations regarding the use of the theory in planning for culturally embracing sustainable regional development.

Face validity is a judgment concerning how relevant the theory appears to be. When examining a theory for face validity, the question is: does the theory appear reasonable to those who would use it? (Murphy and Shofer, 2001). Borrowing from Pervin's (1984) ideas, face validity addresses whether the theory appears to reflect the critical variables of interest. In this study it is the planning for a culturally embracing sustainable regional development. If a theory appears to be appropriate, meaningful and useful to what it purports to be appropriate, meaningful and useful on the face of it, it could be said to be high in face validity. This is important in that if the theory does not have face validity, then the respondents, clients and reviewers are likely to doubt its relevance. Weick (1995b) who says that in sensemaking, plausibility triumphs accuracy because of the role plausibility plays as a platform for action echoes the importance of face validity. Lack of face validity could contribute to a lack of confidence with respect to perceived effectiveness of the theory. Before we examine the theory for face validity we need to explore key methodological issues. These include; research approach and justification for qualitative methodologies; research trustworthiness; data sources, collection and analysis; and control for researcher and respondent biases.

The literature review has explored and identified issues related to economic development for emerging regional economies. The focus was on the synergies associated with development patterns for alliance building in regional emerging economies, economic development models and strategic planning for regional economic development. The outcome of the literature review is a rich, thick description of processes related to these synergies. Evidently, the current dominant economic development models that are designed by the provider lack sensitivity to the context in which these are implemented, hence their failure to achieve enduring economic development for emerging regional economies. Pointedly absent in the present literature is a culturally embracing theoretical economic development process-planning model for sustainable economic development for emerging regional economies. A culturally embracing theoretical economic development process-planning model for emerging regional economies would contribute significantly toward enduring human capital and economic development thinking and practice.

In an attempt to fill up the gap, the review of related literature reflected on the synergies associated with development of patterns for alliance building in regional emerging economies, economic development models, and strategic planning for regional economic development from a cultural perspective. In the process, patterns and trends that are related to economic development for emerging regional economies emerged. Lack of associated political and social cross-culture interventions' strong consideration for the cultural dimensions of both the target and provider cultures in planning and implementation processes was evident. The implications of this void for economic development for emerging regional economies were explored in the literature review. In the final analysis a culturally embracing economic development process-planning model for emerging regional economies was developed. The model seeks to promote sustainable economic development for emerging regional economies.

## Research Approach

The prevailing emphasis on theory testing tends to neglect the process of theory generation (Glaser & Strauss, 1967). Glasser and Strauss stress that the dominant positivist theories tend to become more removed from the social phenomena that they are supposed to explain. In a reaction to this trend, the factorivist theories were part of the humanist attempt to tie social science data more closely to the concerns and beliefs of participants. This was meant to help social science practitioners to find in theory a more congenial guide to the problem of practice (Guba & Licoln, 1989; Stake, 1995; Glaser & Strauss, 1967). In an attempt to have an in-depth understanding of the practices and processes of economic development for emerging regional economies, qualitative research methodologies will be utilized in this study. According to Denzin and Licoln

(1994), and Merriam (1998) qualitative research is an umbrella concept covering several forms of inquiry that helps to explain the meaning of social phenomena with as minimal disruption of the natural setting as possible, and in which the focus of the study is on interpretation and meaning. Ward-Schofield (1993) supports this notion by saying that qualitative research seeks to produce a coherent and illuminating description of and perspective on a situation that is based on and consistent with a detailed study of the situation (p. 202). Within the qualitative methodologies, this study will mainly use the grounded theory design.

Strauss and Corbin (1990) and Creswell (1998) suggest that grounded theory is a technique that can be used to develop a theory and to ground the theory in the data, which supports the existence of a theory. In support of this idea Pfeffer (1997) suggests that theories be phenomenon driven – that is they should be linked to a particular important organizational phenomenon and provide insight into understanding that phenomenon. Bogdan and Biklen (1998) argue that the reliability of data forms the basis for claiming that phenomena exist and the explanatory coherence are appropriate grounds for theory acceptance. Lawrence (1997) supports the idea of explanatory coherence when he says that a purely instrumental theory that posits a connection between variables but lacks explanation generally has very few chances of being accepted as a theory at all.

Grounded theory is a qualitative method that starts with a phenomenon that the researcher finds to be inadequately explained in theory or with a well-defined research problem. Grounded theory has been progressively developed in a way that is consistent with its original formulation, such that it is currently the most comprehensive qualitative research methodology available (Strauss and Corbin, 1990; Thagard, 1992). The primary objective of grounded theory is to expand upon an explanation of a phenomenon by identifying the key elements of that phenomenon, and then categorizing the relationships of those elements to the context and associated processes (Bogdan & Biklen, 1998). Qualitative research tradition produces an interpretation of reality that is useful in understanding the human condition (Bogdan & Biklen, 1998). This is the logic to the claim for legitimacy of qualitative research methodology. In addition, the grounded theory uses the constant comparative data analysis approach, which is an inductive inference - drawing on scientific logic and method (Bogdan & Biklen, 1998; Miles & Huberman, 1994). Scientific research involves rigorous and systematic inquiry that is data based (Bogdan & Biklen, 1998) and qualitative research meets these requirements. All these arguments show that qualitative research methodology is a valid science.

Grounded theory is generally used in investigation of new concepts and theory. As suggested by Stake (1995), in most instances the cases of interest in education and social services are people and programs. Each one is similar to other persons or programs in many ways and unique in many ways. We are interested in them for their uniqueness and similarities.

In the final analysis one can argue that there is no best method. It all depends on what one is studying and what one wants to find out.

## Rationale For Qualitative Methodology

Economic development for emerging regional economies occurs in a natural, complex and holistic setting. This makes qualitative research methodology appropriate for this study that is meant to develop a culturally embracing theoretical economic development process-planning model for emerging regional economies. A qualitative research approach facilitates in-depth holistic exploration of the subject under study (Guba & Licoln, 1989). A qualitative case study approach was used in the different cases that were reviewed during the review of literature. This approach enabled focusing on processes, understandings, and interpretations, and constant comparison of incidents. As suggested by Rudestam and Newton (1992) case studies emphasize on description and discovery rather than hypothesis testing and verification. Corbin and Strauss (1990) warn that theories can't be built on actual incidents or activities as observed or reported but the incidents are taken as, or analyzed as, potential indicators of phenomena. Only by comparing incidents and naming like phenomena with the same term can the theorist accumulate the basic units for theory (Corbin & Strauss, 1990). As put by Creswell (1998) the centerpiece of grounded theory research is the development of a theory closely related to the context of the phenomenon being studied. The theory developed by the researcher is articulated toward the end of a study, and can assume the form of a narrative statement (Strauss & Corbin, 1990); a visual picture (Morrow & Smith, 1995) or a series of propositions (Creswell & Brown, 1992).

## Data Sources

Data collection is directed by theoretical sampling. That means the sampling is based on theoretically relevant factors. For purposes of this study theoretical sampling will be done. Theoretical sampling is the process of collecting data for comparative analysis (Miles & Huberman, 1994). It is especially intended to facilitate the generation of a theory (Bogdan & Biklen, 1998; Miles & Huberman, 1994). In this study a group of international experts will be used for examining the face validity of the theory. Sampling of the participants will be based on their theoretical relevance. Bogdan and Biklen (1998) suggest that the researcher is an active sampler of theoretically relevant data as he or she identifies the critical variables of the emerging theory.

In this study the critical factors in the emergent process constructivism model will influence our choice of sample. Attempts will be made to ensure representation between and within factors. On the basis of the critical factors in the model that we are examining for face validity the following variables will be represented; politics, anthropology, economics, civic society and business. Stratified random sampling, from alphabetically listed authors will be used to determine participants in this study (Miles & Huberman, 1994). The lists will be compiled on the basis of areas of specialization, from the reference list for the literature review conducted for this study. Individuals will be invited to participate in the interviews. Consent will be solicited after the research commitment is explained.

## Research Trustworthiness

The language of positivistic research is not congruent with or adequate to qualitative work (Ely, Anzul, Friedman, Garner & Steinmetz, 1991). To establish trustworthiness of a study Licoln and Guba (1985), Marshall and Rossman (1989), Erlandson, Harris, Skipper and Allen (1993) suggest the use of alternative terms that adhere to naturalistic axioms. The terms are credibility, transferability, dependability and confirmability. They are naturalist's equivalents for internal validity, external validity, reliability and objectivity. Miles and Huberman (1994) agree to the four terms that adhere to the naturalistic axioms and add the fifth one-application.

## Transferability (External Valididty)

Transferability is related to the degree that this study could be applicable in a different context (Miles & Huberman, 1994). The most useful generalization from qualitative research studies are analytic and not 'sample to population' (Firestone, 1993). In terms of generalizability, LeCompte (1987) says that qualitative research focuses on deriving universal statement of general processes than statements of commonality between two similar settings. In qualitative research the question is; to which other settings and subjects are the results generalizable? The results of this study should be applicable in different contexts related to economic development for emerging regional economies. Licoln and Guba (1985) and Miles and Huberman (1994) suggest that for a study to be transferable the data collection and analysis must include thick descriptions. This study will have detailed descriptions and interpretations of cases, processes, trends, and patterns.

## Dependability (Reliability)

Dependability is related to the degree that this study could be replicated or repeated (Miles & Huberman, 1994). Miles and Huberman suggest that dependability seeks to address the question: Were data collected across full range of appropriate settings? For this study the literature reviewed covered emerging regional economies in different parts of the world.

A dependable study must have an audit trail (Miles & Huberman, 1994; Licoln & Guba, 1985). An audit trail entails thorough documentation from beginning to the end of the research study. This would provide future researchers with evidence to conduct a similar study and come up with similar conclusions. All sources of information consulted in this study are cited under references section at the end of this study.

This study acknowledges Mone and McKinley (1993) observation that organization studies today have low incidence of replication. This could be due partly to rapid changes in the variables studied. Consistent with Mone and McKinley's idea on replication, dependability seems more appropriate for this study.

## Application (Utilization)

Application is related to the degree that this study could be used to solve practical problems. Kwale (1989) advises that researchers cannot avoid the question of pragmatic validity. Application addresses questions like: Do actions taken actually help solve the local problem? Licoln (1990) speaks of a good qualitative research as enhancing levels of understanding and sophistication. This research study enhances the ability of the participants and stakeholders to negotiate on behalf of themselves and their own interests in the political arena. The study enhances planning by both the provider and the target, for enduring economic development for emerging regional economies. This study will go a long way in alleviating economic development problems for emerging economies if they adopt a culturally embracing economic development process-planning model. The study provides international development agencies with an economic development approach for ensuring sustainable development for emerging regional economies.

## Credibility (Internal Validity)

Credibility is a key factor in establishing qualitative research trustworthiness (Licoln & Guba, 1985). Credibility seeks to answer questions like: Do the findings make sense? Do we have a true picture of what we were looking for? (Miles & Huberman, 1994), and is the researcher actually observing and measuring what she/he thinks she/he is observing and measuring? (LeCompte & Preissle-Goetz, 1982). For this study, we will have a true picture of economic development processes, trends and patterns for emerging regional economies. Miles and Huberman (1994) and Licoln and Guba (1985) suggest that credibility can be achieved through peer examination and triangulation of data sources and methods. A peer examination will be done through expert reviews and debriefs. Triangulation by data source will be done (Denzin, 1984; Miles & Huberman, 1994). For review of related literature studies by different authors were reviewed-triangulation by researcher (Denzin, 1984; Miles & Huberman, 1994). Triangulation will be done during the data analysis process- triangulation by squaring the finding with others it needs to be squared with (analytic induction) (Denzin, 1984; Miles & Huberman, 1994).

Confirmability (Objectivity/External reliability)

Confirmability is related to relative neutrality and reasonable freedom from researcher biases (Miles & Huberman, 1994). Guba and Licoln (1981) suggest that confirmability addresses the question: Do the conclusions depend on the subjects and conditions of the inquiry? For this study the conclusions will clearly be linked with the used or displayed data. Also the documents analyzed will be available for re-analysis by others. Confirmability is closely related to replicability of the study by other researchers (LeCompte & Goetz, 1982). Other researchers can replicate this study if their general methods and procedures are similar to those used and followed in this study. To this effect Glaser and Strauss (1967) suggest that clarity of the methods assists in assuring study validity, reliability, and ultimately credibility of the research.

Expert review of methodology will be done to ensure that the research procedures and processes are sound. A panel of experts will review and critique the research proposal prior to examining the theory for face validity. Expert debriefs will be used after getting the results of the expert group interviews to provide the researcher with feedback.

Member checking will be used during the interviews. According to Guba, (1981) member checking increases the validity of the study by ensuring that what was recorded was a true reflection of the comments of the participant.

Data Collection Process

A group of experts will be used for data collection. Expert groups have been widely adopted as a researcher tool (Stewart & Shamdasani, 1990). According to Bogdan and Biklen (1998) a focused group is a group that is structured in a particular way and has specific, well-defined goals. The group of experts will consist of eight to ten people and a facilitator (Bogdan and Biklen, 1998). A brief background to the study will be presented and a copy of the created theory given to each participant. The participants will be encouraged to examine the theory for face validity and make comments on it. In support of the use of interview schedules Bogdan and Biklen (1998) say,

> In keeping with the qualitative tradition of attempting to capture the subjects' own words and letting the analysis emerge, interview schedules and observation guides generally allow for open-ended responses and are flexible enough for the observer to note and collect data on unexpected dimensions of the topic (p. 71).

In this study each participant will choose the time and place for the interviews. The interviews will be audio-taped to facilitate the preparation of transcripts. After analysis of the interview data, the researcher will send a copy of the synthesis to the participants and ask them to make comments on it. Their comments will be incorporated into the final data analysis.

This study will pay attention to the two challenges of using focused groups as advised by Bogdan and Biklen (1998). These are controlling individuals who may attempt to dominate the session at the expense of depth and keeping the conversation on the topic.

## Data Analysis

In grounded theory, data collection, analysis and theory stand in reciprocal relationship with each other-that is one begins with an area of study and what is relevant to that area is allowed to emerge (Strauss, 1987; Strauss & Corbin, 1990; Miles & Huberman, 1994). The whole purpose is to specify the condition that gives rise to specific sets of action/interaction pertaining to a phenomenon and the resulting consequences. In this study data analysis will be guided by the coding paradigm suggested by Miles and Huberman (1994), Strauss (1987) and Strauss and Corbin (1990). According to Strauss and Corbin (1990) a coding paradigm represents a general theory of action that can be used to build a skeleton of the developing grounded theory. The application of a coding paradigm or of theoretical codes to empirical data is based on logic of discovery. Qualitative coding means creating categories from interpretation of the data (Strauss, 1987). Strauss and Corbin (1990) suggest that in qualitative data analysis codes are not used to denote facts but to break up the data. A computer-aided qualitative data analysis program-NUDIST or HyperResearch will be used in this study (Lonkila, 1995; Lee & Fielding, 1991).

The main types coding used will be open coding, axial coding and selective coding (Miles & Huberman, 1994; Strauss, 1987; and Strauss & Corbin (1990). These are briefly explained.

## Open Coding

This type of coding involves a close scrutiny of the data that will be collected from the participants. During open coding the document sources were treated like sets of field notes (Turner, 1983). Analysis and category generation commence at the beginning of each report, and a theoretical framework generated which would handle the aspects that are perceived to be of interest to each paragraph. The objective of open coding is to begin the unrestricted coding of all data and assign a conceptual label to each incident found within the data. Responses from between and within each discipline will be compared and contrasted with each other. Phenomena will be compared and contrasted and similar phenomena will be assigned the same name. The coding will be tentative and subject to modification (Strauss, 1987). The coding will grounded in the data and the researcher will remain open-minded while reflecting on these codes in relation to knowledge of the related body of knowledge that the researcher brought into the inquiry.

When concepts are identified, similar events and incidents will be grouped into a category. The category names will be more abstract and embracing than the concepts or sub-categories grouped under them. Strauss and Corbin (1990) advice that categories are higher in level and more abstract than the concepts they represent and are generated through the same analytic process of making comparisons to highlight similarities and differences that is used to produce lower level concepts. Categories are the cornerstone of developing theory.

The whole purpose of the open coding phase will be to categorize data, find several properties or subcategories, and dimensionalize the property (show the extreme possibilities on a continuum)(Creswell, 1998).

## Axial Coding

After the data is categorized it will be subjected to further analysis in axial coding. Data will be analyzed line-by line. Once categories are established, the constant comparative method of data analysis will be used (Creswell, 1998). The axial coding phase is meant to establish a central phenomenon and explore the interrelationship of categories. The researcher's focus will be on specifying a category in terms of (1) conditions that gave rise to it; (2) the context or properties in which it is embedded; (3) the strategies by which it is managed or carried out; and (4) the consequences of those strategies (Creswell, 1998; Strauss & Corbin, 1990). These elements help to explain phenomena or categories and will be later identified as subcategories. The linking of subcategories to categories that will be used during the axial coding will continue into the selective coding phase (Strauss & Corbin, 1990).

## Selective Coding

In selective coding, a core category will be selected. A core category accounts for most of the variations in pattern of behavior and guide further theoretical sampling and data collection (Strauss, 1987). The following criteria suggested by Strauss (1987) will be used in this study to verify the suitability of a category. The core category: (1) is related to most other categories more than any category; (2) appears more frequently in the data; (3) is related easily to other categories; (4) advances theory as the details emerge through the analysis; (5) contributes to a more general theory because of its clear implications;

and (6) enables the researcher to build maximum variation to the analysis. During the selective coding, the conditions, interactions among actors, strategies and consequences will be identified and coded.

### Integrative Diagrams

The coding and memo writing will be used in this study and will result in the categories being maintained as the focus of throughout the data collection and analysis, and the subsequent creation of operational integrative diagrams (Strauss, 1987; Strauss & Corbin, 1990). The integrative diagrams promote the integration of what is known, contribute to analysis and stimulate the researcher to follow through on the implications of the diagrams, clarifying what is known (Strauss, 1987). They also act as touchstone allowing the researcher to relate new advances to previous analyses

### The Development Of Grounded Theory

The purpose of this study is to develop a culturally embracing theoretical economic development process-planning model for emerging regional economies. According to Lonkila (1995) theory building is related to the assumption that the codes used to organize the data material represent those theoretical categories, which the researcher uses or develops through the ongoing process of data analysis. Lonkila suggests that a theory can be regarded as a network of categories. A grounded theory is one that is inductively derived from the study of the phenomenon it represents. It is discovered, developed and provisionally verified through systematic data collection and analysis of data pertaining to that phenomenon (Glaser & Strauss, 1967; Strauss, 1987; Strauss and Corbin, 1990). Astley (1985) asserts that all empirical knowledge about organizations is socially factored through the lens of preexisting theoretical frameworks.

This implies that the purpose of organization theory is not to discover the truth but to generate theoretical language that can be used to give meaning to social constructions and to impel organizational action (Astley and Zammuto, 1992). The created emergent process constructivism theory seems to be consistent with Astley's (1985) and Astley and Zammuto's (1992) descriptions.

Control of Researcher and Respondent Biases

Bogdan and Biklen (1998) and LeCompte (1987) assert that it is possible to reduce or control researcher or respondent biases but not possible to eliminate them completely. Some of the biases the researcher and the respondents bring into the study include past experiences, who one is, what one believes in, and what one values. On researcher biases, Kelle (1995) says that the qualitative researcher who investigates a different form of social life always brings with him/her his/her own lenses and conceptual networks. LeCompte (1987) suggests that qualitative researchers try to acknowledge and take account of their own biases as a method of dealing with them. The more reflective and conscious one is of his or her biases, the more one may shape and enrich what one does (LeCompte, 1987). This raises the issue of effect of own subjectivity on the data (LeCompte, 1987).

LeCompte (1987), Bogdan and Biklen (1998) and Miles and Huberman (1994) suggest that researcher and respondents biases could be controlled in following ways. Data must bear weight of any interpretation. The researcher must collect detailed data about events or record detailed field notes. The researcher must focus on adding knowledge rather than pass judgement. Colleagues or experts must critique the methodology. The researcher and the respondents must interact with in a natural setting.

This study will meet these requirements. Our interpretation will be informed by the data. Detailed field notes will be recorded. Experts will critique the study as a whole for trustworthiness. Interaction between respondents and the researcher will be in a natural setting. Triangulation by data source, and by analysis will be done.

## Summary

This chapter has described and justified the methodologies to be utilized in this study. It examined the procedures and processes to be followed in choosing the participants, data collection and analysis. Finally the chapter explored the issue of ensuring trustworthiness of the study.

# CHAPTER 5: VALIDATION OF THE MODEL: RESULTS OF EXPERT INTERVIEWS

## Introduction

The purpose of this study was to develop and examine for face validity, a culturally embracing theoretically process-planning model for emerging regional economies. This chapter presents the results of the interviews conducted in examining the model for face validity.

The research question for this study is

- What critical factors, if present, constitute and optimize a culturally embracing economic model for sustainable regional development?

From the literature review conducted, the critical factors, rationale and intended outcome were developed. The next task was to examine the model for face validity. For purposes of examining the model for face validity, a group of international experts was identified and interviewed. As highlighted in chapter four, the researcher determines the face validity of a theory on the basis of the inferences respondents make about the model with regard to relevance, appropriateness and meaningfulness.

## The Interview Process

One to one interviews were conducted with 10 international experts in the areas that matched the critical factors of the model. All interviews were by telephone from Colorado State University to the participants. The interview lengths ranged from 40 minutes to 55 minutes. Two experts in each of the following areas: economic development, political science, anthropology, sociology, and business participated in the interviews. This was meant to achieve representation within and across factors. The experts were chosen on the basis of voluntary participation in the study. The participants determined the interview times.

Participants' Background Information

The following is brief background information for each of the participants. For purposes of anonymity the following pseudonyms will be used consistently throughout this chapter:

A1 and A2 for anthropology experts: A1 is a university full professor and dean of school of social sciences. A2 is a university full professor.

B1 and B2 for business experts: B1 is a university associate professor and chief consultant with an international business consulting organization. B2 is a chief executive of an international business consulting organization.

E1 and E2 for economic experts: E1 is a director of international organization that does international development programs and projects. E2 is the head of an international organization responsible for worldwide sustainable development programs.

P1 and P2 for political science experts: P1 is a university full professor and chief executive officer for a consulting organization. P2 is a regional director of international labor organization.

S1 and S2 for sociology experts. S1 is a university professor and dean of school of education. S2 is a director of an international organization responsible for worldwide sustainable development programs.

## Interview Questions

The interview process was guided by structured interview questions. Each participant was given a list of structured interview questions. The following is a list of questions sent to each participant;

- You have had an opportunity to read our model, what are your reactions to it?
- In your view what are strengths of the model?
- In your view what are the weaknesses of the model?
- What suggestions would you make for improving the model?

These questions were only used to lead the interview process into an open discussion. The main goal of the interview was to get the views of the participants on the model with regard to whether the model appears to reflect the critical variables that if present constitute and optimize a culturally embracing economic model for sustainable regional development.

After conducting the first interviews, the interviews were transcribed from the audio-tapes to electronic format. Each participant was asked to review the transcripts. Any changes, modifications, and omissions by the interviewee were communicated to the researcher during the second interviews. After the second interviews, the researcher came up with the final transcripts.

## The Coding and Analysis Process

As indicated in Chapter Four, the transcripts were analyzed using a qualitative analysis software package called HyperResearch to facilitate the coding process. The transcripts were loaded into the software as data sources in text files. The researcher then generated a list of codes that were assigned to specific words, phrases or sections of the text in the transcripts. The codes and their associated texts were reviewed, and analyzed throughout the process of data analysis. The whole process of coding enabled the researcher to analyze data and come up with reactions that were unique to each discipline and reactions that were common to all the disciplines. This is consistent with Miles and Huberman's (1994) suggestion that coding is analysis and forms the basis of description from which the researcher can make relevant interpretations.

## Coding Levels

The researcher made use of three levels of coding as was discussed in Chapter Four. Open coding was applied to each transcript. Then axial coding was used on the open codes in order to identify emerging themes or categories from the transcripts. The axial codes for each discipline were subjected to constant comparative analysis to identify the themes or categories that were unique to each discipline and those that were common to all the disciplines (Strauss and Corbin, 1990; Miles and Huberman, 1994).

After open and axial coding all the transcripts, selective coding was done to identify participants' overall reactions to the model. Their reactions centered on the following selective codes; culture and power, globalization, multiple actors' identities/interests and their levels of practices. Figure 9 shows the identified systematic and axial codes. The axial codes were common to all the five disciplines represented by the participants. However, anthropologists, political scientists and economists highlighted the high potential for conflict, tension, struggle and contestations within the zone of cultural economic interactive awareness and how that could influence decision-making processes and outcomes where as sociologists and business experts did not give that similar prominence.

<table>
<tr><td colspan="3" align="center">Selective Codes</td></tr>
<tr><td>Cultural Systems</td><td>Multiple Actors' Identities/ Interests and Their levels of practices</td><td>Globalization factors</td></tr>
<tr><td colspan="3" align="center">Axial Codes</td></tr>
<tr><td>• Cultural dimensions and their dynamic synthesis<br>• Ecological base/ capacity, indigenous knowledge base<br>• Capacity building and seeking,<br>• Social economic technical system capability and philosophy<br>• Culture based quality management systems, sustainability, vision and strategy formulation</td><td>• Actors' identities/ interests, interaction and reality construction<br>• Internal forces, equity issues, empowerment, grass root involvement<br>• Systems sustainability-negotiating conflict, tension, struggle, contestations, dynamic equilibrium.<br>• Actors' levels of practices and power relationships.</td><td>• Global economic culture and associated forces, historical tendencies.<br>• Motivation and the role of media</td></tr>
</table>

Figure 9. Selective and Axial Codes

## Emerging Issues and Themes from the Interviews

The following sections of this chapter present the issues and themes that emerged from the interviews. Citations from the interview transcripts will be made to capture the reactions of experts to the model (Creswell, 1998, Miles and Huberman, 1994). The text in italics represents the direct citations from the interview transcripts.

The presentation will be guided by the selective and axial codes that are shown in Figure 9. Special attention will be given to what the participants suggest to be the critical factors that constitute a culturally embracing economic model and the rationale for their suggestions.

## Cultural Issues

All participants in the study applauded the initiative of coming up with a culturally embracing economic model for sustainable development. They acknowledged that culture was a critical factor in planning for sustainable development. Culture was seen as critical in influencing the way people factored reality, the way they conducted business and participated in development. In reacting to the model B1 stated,

> *I agree with the concept of development planning that is based on the understanding of the reality of the people who are meant to participate in the development. That reality is a social factor. That social construction is built on the individual or collective views of reality and therefore culture has a definite role to play in business planning and development. I applaud the development of a model that puts in the forefront the critical role culture plays. Models are dynamic and culture is a critical dimension. Your model promotes the prominent role culture plays in the way people do business, see reality, the people's views, the people's culture, people's behavior, in social economic development.*

Similar views were shared by B2,

> *Culture is a very important dimension in development planning. The need for cultural sensitivity is unquestionable. There is no doubt that the model embraces the key variables that should be considered when planning for development. In fact the model provides so many variables such that one may come up with an infinite number of combinations and outcomes*

B2 acknowledged that the model embraced all the critical variables in planning for sustainable development and that culture was an important dimension in sustainable development planning.

The sociologists had closely matching responses to the model such that a citation of S1 would be a proxy of S2 views. They emphasized the need for considering the cultural perspective of the community when planning for development.

> *It is important to take into account the cultural perspective of the community when planning for economic development of that community* (S1).

The economists' views were equally consistent with the business experts and sociologists' views on the relevance of the model. They indicated that the model was a good initiative because it used the systems approach and was culture sensitive. E1 commended,

> *This is a good initiative. This is a good model for development. The model is good because it uses a systems approach and is culture sensitive. Cultural sensitivity is an issue that has been underplayed by the current dominant development models.*

In support of the idea of a good initiative A1 saw the model as active and culture centered. Culture was viewed as a critical factor in sustainable development because a cultural system informs public policy, influences the choice of public institutions and helps in understanding, organizing and planning development.

> *The model is very interesting and constructive. I was very glad to see a model that takes culture seriously. The model is very active and culture-centered. It is an integrated model that cuts across disciplines. I felt that this is something I could engage in. The ideas are wonderful. This is thought provoking; it has provoked me to come up with my family critique. Culture in very broad terms could incorporate economic philosophies, regimes-public policies shift over time in different parts of the world. A cultural system could be viewed as a paradigm that informs our public policies and practices. It is a paradigm for understanding and organizing development and for informing the actors in development planning. A cultural system is an approach to development that includes its economics and politics; public and private; what kinds of institutions we should have. All these are culturally mediated ideas* (A1).

The political scientists gave a comprehensive view of how a culturally embracing economic model could contribute towards sustainable development theory and practice. They stated that the model embraced all the critical factors for sustainable development planning. They viewed a given culture as emerging from a dynamic synthesis of the cultural dimensions. The cultural dimensions offer micro conceptual and operational definitions of culture. All these had implications for sustainable development planning.

*I am pleased to see the inclusion in the model of critical factors in development planning. The model is useful to scholars who are grappling with the issues of cultural and economic development. The model presents the key variables in economic development. The five cultural dimensions, ecological, psychological, social, political and economic offer micro conceptual nominal and operational definitions of culture. These five dimensions are very important in development planning in that there is a dynamic synthesis between them out of which emerges a given culture. From a political science and decision-making processes perspective- one observes that lack of cultural sensitivity creates problems on the onset, mid-way, and long-term* (P1).

The above citations reflected the participants' views on the role or importance of culture in development. This leads us to the next theme, ecological base/capacity, capacity building and seeking, and indigenous knowledge.

P1 acknowledged the importance of ecological base/capacity in planning for sustainable development. The ecological base/capacity supports and sustains development. It continuously interacts with other culturally based variables, like the cultural dimensions. This interaction leads to the development of an economic system with technical capability and philosophical orientation for sustainable development. The continuous spiral, circular and dynamic interaction between and within the cultural dimensions, ecological base and economic system technical capability and philosophy in the zone of interactive economic dynamic equilibrium results in culturally embracing vision, strategic business modeling for competitive advantage, total quality management systems, and systems sustainability. A clear examination of the economic system technical capability and philosophical orientation could be used to measure the cultural dimensions. P1 explained,

*Ecological base is a necessity. From an African perspective it is very difficult to separate communities from their natural surrounding and its ability to sustain them. Ecological base embraces man, nature, natural resources and environmental conditions. These collectively create a potential for development. They remain dormant until the cultural dimensions impact on them. This leads to* *the development of an economic system with technical capability and philosophical orientation for sustainable development. This goes back to impact on the base and moves the base in a certain direction. This movement moves culture. The results of the continuous spiral, circular, and dynamic interaction are those critical variables in the zone of interactive economic equilibrium. These are vision, strategic business modeling for competitive advantage, total quality management, and system sustainability. The cultural dimensions could be measured through a clear examination of the economic system and its technical capability and its philosophical orientation. Embedded in the economic philosophical dimension should be a definition of sustainable development for that base and for that culture.*

B1 also highlighted the importance of ecological base/capacity, empowerment, culture and indigenous knowledge in planning for sustainable development. This was linked to the growing current movement on indigenous knowledge and how businesses could benefit from the existing knowledge base within the community as building blocks for the way forward.

*We need to take cognizance of the environmental reality. That understanding is built on our understanding of culture. Significance depends on the cultural perspective. Empowerment concerns an involvement of people in their cultural reality and in identifying the way forward. You are bringing forward an important dimension to development. The dimension links with theories of sustainable development and with Freire's ideas about capacity building. This model seeks to utilize indigenous knowledge. This is also in line with the growing current movement on indigenous knowledge and how businesses may build on an understanding of people and their knowledge base. The model reflects recognition of people's culture and seeks to use what people know as building blocks for the way forward. You have made a significant contribution towards the debate on development and people's empowerment* (B1).

The importance of ecological base in planning for development was equally acknowledged by S2, S1, A2, and E1.who suggested that a culture-based model recognized the importance and uniqueness of the local culture. S2 went further to say,

*Our organization focuses on capacity building at whatever level of development we are focusing on. I therefore agree with idea of emerging regional economic capacity building and seeking behavior that is culturally embedded.*

Following up on the idea of locally initiated quality management systems raised by P1 earlier on, E1 explained that locally determined quality indicators and standards for measuring development were likely to reflect on local cultural values. The participant acknowledged that in the real world there were problems encountered in trying to balance the traditional and western forces on quality management issues,

> *A culture-based model recognizes the importance of locally determined indicators and standards for measuring development. Your model is different from the current dominant development models in that these models tend to use the western standards to judge development across the world. There are problems encountered in trying to balance the traditional and western forces on quality management issues* (E1).

On the issues related to locally initiated quality management systems P1 explained that culture played a critical role in sustainable development planning for the specific context in that a culturally embracing economic model defined successful development, the drivers of sustainable development and the quality of life indicators. This finally gave the direction or vision for the system.

> *A culture-based economic model provides a working definition of sustainable culturally embracing economic development to guide scholars and providers. It shows how the concept of economic development fits into the goal of sustainable development. It defines successful development for that context. It provides the drivers of sustainable development, may be compared over time and between nation-states. It provides internally developed quality of life indicators of sustainable development. Finally it gives the direction or vision for the system* (P1).

Commenting on the inclusion of emerging regional economic capacity seeking /building behavior, P1 was of the view that;

> *On the part of emerging regional economic capacity seeking/building behavior, there is need to recognize the nature of state- types of region-states. First, collaborative states- those that given in to global culture. Second, those states that maintain a national identity and allow the business sector to actively participate in development. Lastly, progressive states those that adopt the notion of catching up with wealthier nations. All these exert pressure in defining self-*

*sustainable development, thereby creating difficulties with the issue of culture. How does all this impact on the issue of identity, the issue of dignity? This emphasizes the need for incorporating the issue of culture in designing economic development.*

The above citations show how interwoven development planning issues are and how they could be explained from a cultural perspective. From the participants point of view the cultural dimensions, ecological base and economic technical system capability and philosophy constantly influence each other, thereby keeping a culturally embracing economic model for sustainable development continuously evolving. The idea of continuously evolving implies some interaction between and within variables.

Actors Identities/Interests and The Actors' Levels of Practices

There was general consensus among the participants that interaction within and between actors and the actors' levels of practices was a critical factor in planning for sustainable development. The process of interaction was said to be value laden and influenced actors' decision making. That had implications on issues like strategy formulation for sustainable development. The participants also acknowledged the reciprocal relationship between actors and the actors' levels of practices or inter-subjective structures.

*The presence of multiple actors is very important. Interaction of different actors reflects on diverse variables that interact in various ways. Critical factors- the model embraces very useful variables. Multiple actors help us understand the intricacies and complexities of how things work. You made wonderful observations. Basically actors operate interact at global, regional, national and sub-national levels. At the same these structures are also actors. Actors and structures are parallel factors. They go together. This has implications on strategy formulation for economic development. There is a reciprocal relationship between actors and inter-subjective structures. One has to understand structures in order to provide a context within to understand what actors do. There are different levels of structures. There is interaction between actors and structures. Structure is something that is factored out of the interactions among actors-reciprocal relationship. This is different from structures determining what actors*

> *do- the old style conventional approach. Most models lost sight of the interaction and negotiation that occurs between structures and the levels of actors' practices* (A1).

A1's reactions to the presence of actors' identities/interests and the inter-subjective structures or levels of actors' practices captured the main views of all the participants on the presence of multiple actors/identities and the actors' levels of practices.

S1 added to these views by highlighting the role of educational institutions and the importance of inter-dependence between actors in sustainable development.

> *The model is quite relevant for development of regional economies in the sense that it includes interaction as an important element. No nation-state can develop without sharing ideas with its neighbors. The presence of multiple actors emphasizes the need for consultation. Interaction could promote proper coordination. The different nation-states need to focus on their areas of expertise for purposes of meaningful development and quality products. This could reduce a lot of unnecessary duplication of development programs. Nation-states should learn from each other's experiences. Educational institutions could play a more important role in development if they are consulted by the powers that be. There is need for broad based consultation at all levels* (S1).

Linking the idea of interaction to roles of some development agencies like the United Nations (UN) and World Bank (WB), S2 suggested that international development agencies like the UN and WB had to male relevant consultation and negotiations with local communities to determine their priorities. That could promote peoples' commitment toward the development programs. That could lead to sustainable development. S2 also supported the model for embracing variables such as internal forces, global economic culture and the actors' levels of practices that are critical for sustainable development planning.

> *The idea of interaction suggests that development agencies like UN and WB have to make the relevant consultation and negotiation with the local communities to determine their priorities for development rather than donor agencies determining the priorities for them. This could promote commitment of the local communities to the development programs. Such programs are likely to*

> *be sustainable if enough capacity building is done and the necessary support is provided. The model is good in that it includes elements such as multiple actors, inter-subjective structures, internal factors and global economic culture as an external influence. All these are very important when planning for development. This is a good model* (S2).

While the presence of multiple variables that are in constant dynamic interaction was seen to offer greater opportunities for development, such opportunities would come with even greater challenges. The greatest challenge was associated with the imminent presence of struggle, tension, conflict, contestation and negotiation. The challenge was compounded by the presence of multiple cultures, involvement of multiple actors with different identities and interests, the different levels of power, and the reciprocal relationship between power and culture. The whole issue of choosing a development model was seen as a fundamental conflict issue. The participants acknowledged the complexities and intricacies associated with ever evolving interactive processes between and within the critical variables of the model. Negotiating and managing conflict was viewed as a critical factor in a culturally embracing economic model for sustainable development. It was observed that the tension, conflict and struggle that went on politically, economically and culturally created conditions for people to make decisions. How the tension, conflict and struggle were successfully negotiated and managed had implications for sustainable development. It was suggested that the presence of traditional organizational structures could go a long way towards negotiating and managing conflict.

> *Negotiating conflict between the different economic cultures is a critical issue. To me equilibrium is the goal or an ideal. How do actors negotiate and hopefully reconcile conflict? There is cultural diversity. There is great a deal of conflict between, within and between nation-states, and between the global economic culture. There is need for a critical factor that deals with conflict and contestations, and the struggle that goes on politically, economically and culturally, and how they are interwoven. They create conditions for people to make decisions on the development model or what criteria for sustainability*

> *would be. The choice of a developmental model is a fundamental conflict issue. Culture and power- the trend now is that culture is a side of struggle and conflict over the things we usually do -over the values, meanings and beliefs that inform how people view the world. Culture is not monolithic; it's a locus or a site where conflict, negotiations, contestations and struggle go on. Power drives those struggles. Some people have power to define cultural realities and other people have social power to contest but their contestations could be expressed in form of music. There are different modalities and levels of power-individual, interpersonal, organizational, and structural levels. This penetrates and drives cultural processes. These have to be explicitly expressed in the model. Culture is important but culture also implicates power. Culture and power are mutually constituted. Multiple actors/interests make tension inevitable. Some people celebrate their diversity and often some people fight over things they believe in. This occurs at different levels- interpersonal, within families, nation-states, region-states, and agents and structures of global power. Different actors may have different notions of sustainability. Equilibrium is an ideal, a goal that you work for. How do we negotiate through the tensions in order to achieve an interactive economic equilibrium, a culturally embracing sustainable system? How do we address the issues that are conflict centered? The model should be used to advise situations that are stable or turbulent. The model should provide a map when the situation blows out of control. Equilibrium is dynamic and shifts as critical factors change. There are de-stabilizers in some contexts. How do we reduce turbulence to achieve equilibrium? Consider volatility. This is a very relevant model. It treats culture and agents as central* issues. *These are centrally important* (A1).

Linked to the issues of negotiating and managing conflict and sustainable development were equity and empowerment issues. Participants raised the need to address poverty, gender, youth and employment creation issues.

> *Some emerging economies have some contrasting features in one nation-state. Some parts of the nation-state could be poverty-stricken while the other parts are wealthier. There is need for development to spread to all areas. Education is a critical component to consider when building the capacity of the community. Meaningful; development should embrace strategies meant to reduce poverty. The idea is to go for labor-intensive strategies wherever possible in order to create employment. At regional level we see a lot effort by nation-states to build up consensus. However, there is need for better coordination of the functions so that the region-state becomes more effective and efficient. While the policy talks about multiple actors identities/interests, we need to be more explicit on gender issues and issues affecting the youth. The model looks flexible enough to address the needs of different audiences and it is very important to be context and culture sensitive* (P2).

These views were shared by P1 and E1 who expressed the need for development to address the issues of wealth distribution and the need to take cognizance of the people's concerns at grassroots level. They were of the view that sustainable development embraced participation in the production of goods and services, and in enjoying the benefits of production.

Globalization Factors

The participants acknowledged the interaction between emerging regional economies and the global economic factors. They viewed that interaction as being very important to sustainable development for emerging regional economies. They also acknowledged the significance of motivation and global economic culture history of dominance in terms of its values, which included material acquisition, private ownership, competition, and imposition tendencies. The enormous amount of pressure exerted by the global economic cultural values on the emerging regional economies tended to negatively or positively influence efforts by emerging regional economies to plan for and achieve sustainable development.

> *There is dynamic interaction between the emerging regional economic capacity seeking/building behavior and the global economic culture. The two entities are not equal at all. The global economic culture is not a neutral player. It has a history of dominance in terms of its values. Its values include material acquisition, private ownership and competition. These values collectively exert an enormous amount of pressure on contemporary emerging regional economies. These forces at play are not equal. Historic imposition tendencies impact on the emerging regional economies in multiple ways. Motivation is a critical variable. The nature of global economic culture embraces five key factors. These are psychological, ecological, social, political, and economic. From these evolves a dynamic synthesis- evolving all the time. That impacts on the emerging regional economic capacity seeking/building behavior* (P1).

According to B2 motivation and actors' worldview were critical factors in shaping development planning and implementation. More important was the political factor. It was expressed that different providers tended to have different motives and therefore adopted different development strategies. The need to recognize the values of all stakeholders was emphasized.

> *Current dominant development models seem underplay culture because there is tendency to observe the golden rule-he that has gold makes the rule. True this may create problems with regard to sustainability of programs. Politicians have different motives, and they have a different worldview. They want credit for what they want to do and what they do. Their worldview and motives tend to override everything else. To me politics stands out as a critical element in the existing models. Yes politicians come and go and each new political that is in power has its own worldview and motives. There is need to give more recognition to other stakeholders in planning for development. The general practice is such that different providers may have different motives in assisting in the development of emerging economies. Therefore motives may influence the strategy the provider may use* (B2).

B1 suggested the need for strong consideration to cultural dimensions of both the target and provider cultures in planning and implementing intervention strategies

> *We need to take cognizance of the environmental reality. That understanding is built on our understanding of culture. Significance depends on the cultural perspective* (B1).

Summary

The interviews were conducted as planned and the results have been presented in this chapter. The presentation focused on the main issues and themes that emerged from the data analysis. Citations from the interview transcripts were used to give voice to the text.

An analysis of the interview data showed that the issues and themes that emerged were interwoven and tended to evolve around culture, thereby giving culture prominence, which should be consistent with a culturally embracing economic model for sustainable development. The presence of multiple variables that constantly interacted and evolved made conflict, tension, struggle and turbulence inevitable. How to negotiate through tensions in order to achieve an interactive economic equilibrium and a culturally embracing sustainable system seemed to be the greatest challenge facing emerging regional economies.

# CHAPTER 6: DISCUSSION

## Introduction

The purpose of this study was to develop and examine for face validity, a culturally embracing theoretical economic development process-planning model for emerging regional economies. Emerging economies constitute the major growth opportunity in the evolving economic order. They are indeed the new frontier, but like all frontiers they present a mix of opportunity and risk (Garten, 2000). The world is entering a time perhaps of unprecedented discontinuity. We may not know what businesses will look like, but we must be willing to speculate because the world cannot avoid addressing the long horizon of socio-economic sustainability (Garten, 2000; Magretta, 2000). Magretta (2000) is of the view that the market is going to demand fluid and enduring systems, and sustainable development is going to be one of the organizing principles around which the emerging economies will probably define themselves in the years to come.

The 1980s witnessed the introduction and widespread adoption by international development agencies of an approach to the development of emerging economies known as the 'Washington Consensus". However, in the light of financial crises in, for example, Mexico, East Asia, and Argentina, and economic growth decline in emerging economies, there is now growing reason to call into question the effectiveness of the current dominant economic development approaches (Cameron & Stein, 2000; Gore, 2000; Stiglitz, 1998; Stigson, 2000).

Among factors commonly used to explain differences in development among and within nations, culture is pointedly absent (Chitsika, et al, 2001). Increased globalization of the modern world however prompts questions about the role of the depth and persistence of cultural differences, culture as an influence on developing and sustaining performance excellence processes, and cultural durability in the face of economic change and cross-cultural political-economic contact. A debate centering on whether or not some culture's variables produce more innovative and entrepreneurial behavior than others may be timely to understanding successful planning, implementation, and outcome success (Chitsika, et al, 2001; Nash, 2001). Geroy, et al, (1997) make a case that economic development strategies are more successful and enduring when associated political and social cross-cultural interventions provide strong consideration for the cultural dimensions of both the target and provider cultures in planning and implementation processes

Chapter Two examined the literature related to the synergies associated with development of patterns for alliance building in regional economies, economic development models, and strategic planning for regional economic development.

Building on the literature review conducted, a theoretical model was developed in Chapter Three. The model embraced what we believed were critical factors of a culturally embracing economic model for sustainable regional development. They included; actors' identities/interests, inter-subjective structures of actors' levels of practices, internal political, social, economic and cultural factors, global economic culture as an external influence, emerging regional economic capacity seeking/building behavior, cultural ecological, political, psychological, social and economic dimensions, economic system technical capability, and economic philosophy and policy risk (See Table 1 in Chapter Three for a comprehensive summary of critical factors, rationale, and outcome).

Chapter Four explored the qualitative methodologies used in this study. It covered choice of research design, rationale, research trustworthiness, research participants, data collection and analysis. Chapter Five presented results of the interviews.

This chapter presents conclusions derived from the results. It also examines the implication of the study to theory and practice. Finally it presents recommendations for future research.

## Research Question Findings

The research question for this study is

- What critical factors, if present, constitute and optimize a successful culturally embracing economic model for sustainable regional development?

The researcher found that the following factors, if present, constitute and optimize a successful culturally embracing economic model for sustainable regional development:

- Cultural ecological, political, psychological, social and economic dimensions
- Ecological base- man, nature, natural resources, environmental conditions
- Economic system technical capability and philosophy
- Actors identities/interests -global, regional, national, sub-national, civic, business, and state
- The actors levels of practices- global, regional, national, and sub-national
- Motivation -Affective, cognitive, and material

- Emerging regional economic capacity seeking/building behavior
- Global economic forces- ecological, political, psychological, social and economic
- Internal political, social, economic and cultural forces
- Vision
- Strategy formulation
- Quality management systems
- Conflict negotiation and systems sustainability

But how different were these factors from those that evolved from the literature review conducted? Figure 10 below is a comparison of the factors that emerged from the interviews and those that emerged from the literature review. Factors in Figure 10 show similarity between 12 out of 13 factors that evolved from the two approaches. The critical factor that emerged from the interviews that was not on the original model was the ecological base that embraces man, nature, natural resources and environmental conditions. This factor was discussed in the literature review where it was acknowledged that inter-dependence between nation-states was of necessity because nation-states were endowed with different resources and would need each other if they were to achieve sustainable development. However, this factor was underplayed in the initial version of the model.

| Critical factors that evolved from the literature review | Critical factors that evolved from the interviews |
|---|---|
| Cultural dimensions | Cultural ecological, political, psychological, social and economic dimensions |
| Social/economic system technical capacity | Economic system technical capability and philosophy |
| Economic philosophy and policy risk | Ecological base- man, nature, natural resources, environmental conditions |
| Motivation -affective, cognitive, and material | Motivation -affective, cognitive, and material |
| Actors identities/interests -global, regional, national, sub-national, civic, business, and state | Actors identities/interests -global, regional, national, sub-national, civic, business, and state |
| Inter-subjective structures- global, regional, national, and sub-national | Actors' levels of practices- global, regional, national, and sub-national |
| Global economic culture as an external influence –intrusion initiative and invitation response | Global economic forces- ecological, political, psychological, social and economic expressed through intrusion initiative and invitation response |
| Emerging regional economic capacity seeking/building behavior | Emerging regional economic capacity seeking/building behavior |
| Internal influences-political, social, economic and cultural | Internal political, social, economic and cultural forces |
| Vision | Vision |
| Strategy formulation | Strategy formulation |
| Quality management systems | Quality management systems |
| Systems sustainability | Conflict negotiation and systems sustainability |

Figure 10 A comparison of critical factors from literature review and interviews.

## Face validity of the model

Face validity is a judgment concerning how relevant the theory appears to be. When examining a theory for face validity, the question is: does the theory appear reasonable to those who would use it? (Murphy and Shofer, 2001). Borrowing from Pervin's (1984) ideas, face validity addresses whether the theory appears to reflect the critical variables of interest. If a theory definitely appears to be appropriate, meaningful and useful to what it purports to be appropriate, meaningful and useful on the face of it, it could be said to be high in face validity. On the basis of the similarity between 12 out of 13 factors that evolved from the literature review conducted and from the interviews, it could be argued that the proposed culturally embracing economic model for sustainable regional development had high face validity.

## Emergence of a New Economic Model

A culturally embracing economic model for sustainable regional development has emerged and this study has helped explore the new phenomena. The critical factors of the model are shown in Figure 11 below. The model focuses more on system dynamics rather than system structures. It underscores the importance of different voices, the primacy of interactions and social constructions, the significance of relationships and interconnectedness, and the importance of context.

| Critical Factors |
|---|
| ➢ Cultural ecological, political, psychological, social and economic dimensions |
| ➢ Economic system technical capability and philosophy |
| ➢ Ecological base- man, nature, natural resources, environmental conditions |
| ➢ Motivation -affective, cognitive, and material |
| ➢ Actors' identities/interests -global, regional, national, sub-national, civic society, business, and state |
| ➢ Actors' levels of practices- global, regional, national, and sub-national |
| ➢ Global economic forces- ecological, political, psychological, social and economic expressed through intrusion initiative and invitation response |
| ➢ Emerging regional economic capacity seeking/building behavior |
| ➢ Internal political, social, economic and cultural forces |
| ➢ Vision |
| ➢ Strategy formulation |
| ➢ Quality management systems |
| ➢ Conflict negotiation and systems sustainability |

Figure 11. Critical factors of a culturally embracing economic model for sustainable regional development

Figure 12 shows the critical factors of a culturally based economic model for sustainable regional development move from static to dynamic when the zone of cultural economic interactive awareness emerges.

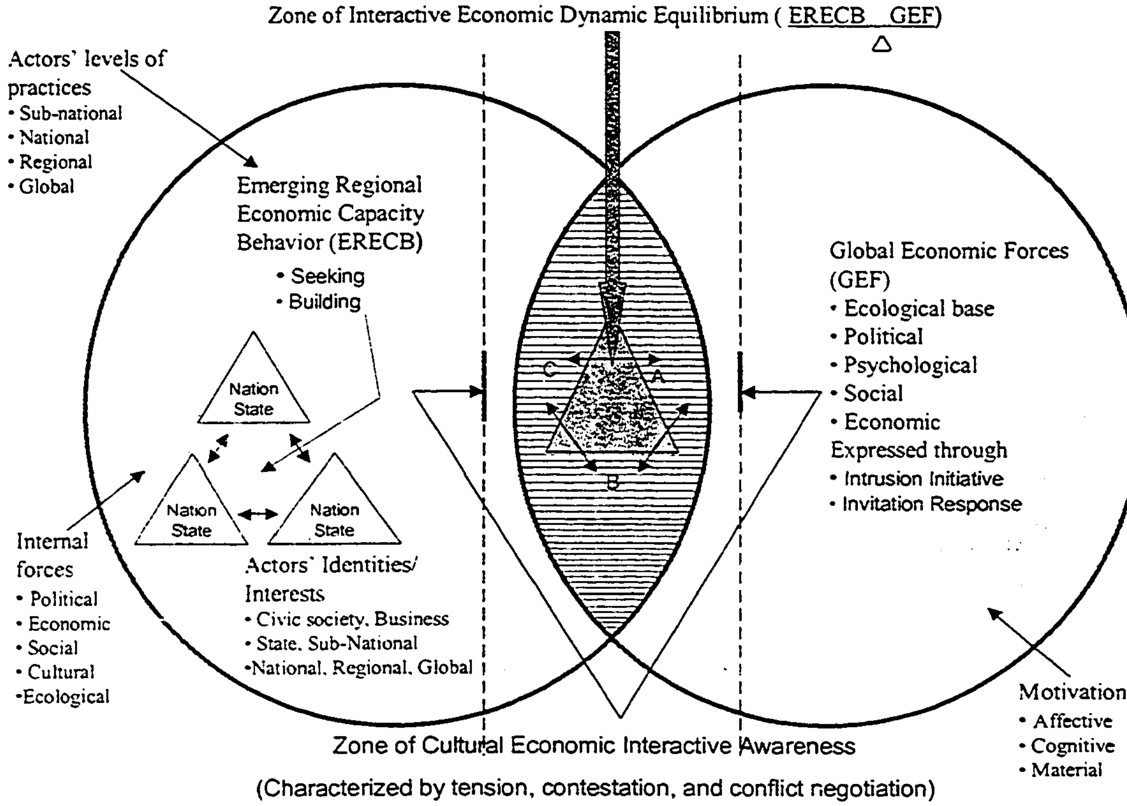


Figure 7. Emerging Regional Economy: Critical Dynamics (Chitsika & Gerov, 2002)

Legend:

A- [Cultural Dimensions];
B – [Ecological Base];
C - [Economic System Technical Capability and Philosophy].

Figure 13 represents the inter-dynamics within the zone of cultural economic interactive awareness that is characterized by tension, conflict, contestations, turbulence and negotiation as actors attempt to achieve an interactive dynamic equilibrium and a culturally embracing sustainable system.

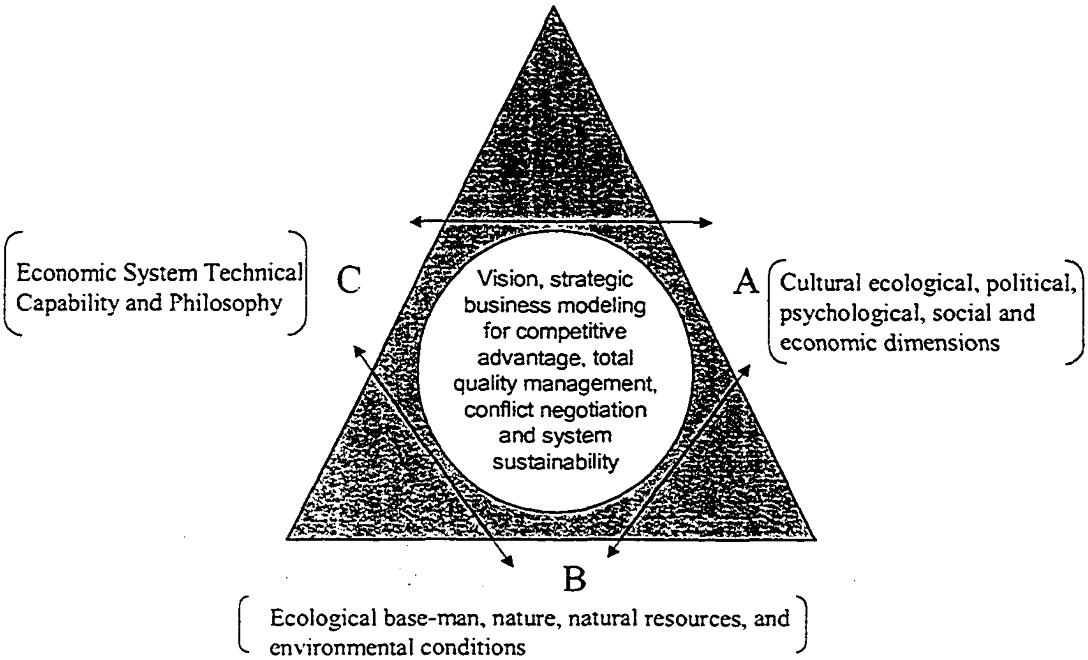


Figure 13. Zone of Interactive Economic Dynamic Equilibrium (Chitsika & Geroy, 2002)

The continuous interaction that occurs within the zone of cultural economic interactive awareness is characteristic of self-organizing dynamic systems, systems that possess the innate ability to reorganize themselves, to deal with new information situation. This helps the emergent region-state and its environment evolve simultaneously toward better fit for each other. Ulrich and Wiersema (1989) advise that institutional and organizational flexibility is the result of new ideas influencing processes, practices and people of the organization. As the system matures and develops self-knowledge, it becomes more adept at working with its environment. It uses available resources, effectively, sustaining and strengthening itself (Wheatley, 1999, p. 89). In the process the evolution determines its own direction and dynamics (see Figure 12). By way of this dynamic interconnectedness, evolution determines its own meaning.

## What Was Learned From The Study

This section of the study will present what was learnt from the study in three domains; research design, economic model building and validation, and economic development theory.

### Research Design

The idea of developing a theoretical model and taking it to international experts for public scrutiny is the way to go. The methodological approach used in this study challenges the dominant strategies used in the scientific method. It helped improve the trustworthiness of the study before the study material was put out for public consumption. The research validates grounded theory as a logical and legitimate research method. It also validates the theory of stakeholder involvement as reviewers on issues that affect them. The design for this study was unique in that in the dominant grounded theory strategies theory emerges or evolves from the discussions of a focus group or a focused group of experts whereas in this study the theory that evolved from the literature review conducted was taken to experts for validation.

### Economic Model Building and Validation

Sustainable development impacts on all disciplines and all disciplines impact on sustainable development with possible variations of importance in space and in time. A multidisciplinary approach to theory building and validation is a logical strategy for economic model building and validation.

### Economic Development Theory

No single economic model for development claims monopoly over development issues all the time and in all contexts. Instead models of economic planning and development are dynamic and continue to evolve as critical factors shift. The flexibility embedded in a culturally embracing economic model, that is developed using a multidisciplinary approach is a significant contribution to economic development theory. This is an integrated model that cuts across disciplines. It is very active and culture-centered. It is active in the sense that it involves multiple actors with multiple identities/interests and acting at different levels of practices and involves multiple cultures. All these make tension, turbulence, contestation and conflict inevitable.

The choice of a developmental model is a fundamental conflict issue and emerging regional economies need to put in place strategies for negotiating through the tensions in order to achieve an interactive economic equilibrium and a culturally embracing sustainable system.

In emerging regional economies it is very difficult to separate communities from their natural environment and its ability to sustain them. This makes ecological base a necessity. Sustainable development planning is based on the understanding of the reality of the people who are meant to participate in the development.

A culturally embracing model recognizes the importance of locally determined indicators and standards for measuring development. It is therefore important for development models to reflect recognition of people's culture and seek to use what they already know as building blocks for the way forward.

## Implications of The Study

The process of development dialogue is not to tell practitioners what to do but to provide the various courses of actions and allow them to choose. This section presents the implications of the study for theory and practice.

This study challenges the dominant strategies used in the scientific method and presents a unique logical approach to grounded theory within the qualitative research methodology. It provides an alternative approach to theory building and validation.

This study encourages emerging regional economies and international development agencies to base their economic planning and development on the understanding of reality of the people who are meant to participate in the development. It encourages them to view the people's cultural system as an approach to development that includes its economics and politics for both the private and public sectors. This idea builds on the notion that there is a dynamic synthesis between cultural dimensions out of which emerges a given culture and this culture drives economic planning and development decision-making processes and outcomes.

Emerging regional economies are encouraged to consider development as a product of social, cultural and historical events. Development planners and analysts need to understand these variables and how they relate to development. Since the variables tend to be context specific, emerging regional economies are encouraged to view development as the promotion of human potential within their context. That development could be achieved through technological advancement and or social well-being by using the existing knowledge and resource base of the local communities as building blocks for the way forward and integrating that with expert knowledge base and technology. The expertise could be pooled together for the common good of the region-state, nation-state or local community. In any region-state or nation-state the local people must be the major participants in any sustainable development, and each region-state or nation-state has its own particular functional logic, which determines the best practices, style of management and the most appropriate pattern of ownership. In the process emerging regional economies need to emphasize the cultural diversity that can be found at each organizational level.

The presence of multiple actors in the model encourages emerging regional economies to acknowledge differences, which include tolerance of diversity with regards to values, beliefs, customs and ethics, between people in order to create culturally embracing sustainable systems. Emerging regional economies are encouraged to make broad-based consultations at all levels of multiple actors' practices. This would raise the level of civic society's involvement in economic planning and development issues and would lead to more effective decision-making processes and greater legitimacy and public support for all choices made. This study builds on Cameron's (2001) idea that it is advisable to develop multiple options to address a problem and one way of doing that is to involve stakeholders as much as possible.

The inevitability of conflict, tension, struggle and contestations in the negotiation and decision-making processes on development issues encourages emerging regional economies to seriously consider putting in place effective strategies that deal with conflict between and within nation-states, region-states and the global economic forces. Emerging regional economies need to realize that the struggle that goes on politically, economically and culturally, and how they are interwoven, create conditions for people to make decisions on the development model to go for. It is important for them to negotiate through the tension, struggle and turbulence in order to achieve an interactive continuously changing equilibrium and a culturally embracing sustainable system. They also need to acknowledge that the equilibrium shifts when the critical factors change.

Emerging regional economies are encouraged to provide a working definition of sustainable culturally embracing economic development to guide scholars and providers. That definition would embrace the drivers of sustainable development and show how the concept of economic development fits into the goal of sustainable development.

This study suggests that emerging regional economies adopt locally determined quality of life indicators and standards of measuring development. It encourages them to measure their cultural dimensions through a clear examination of their economic system, its technical capability and its philosophical orientation. Embedded in the economic philosophical dimension should be a definition of sustainable development for the ecological base and for that culture. It is important for emerging regional economies to go for strategic business modeling, direction/vision, quality management systems and systems sustainability that are a result of the continuous circular, spiral and dynamic interaction of the cultural dimensions, ecological base and economic system technical capability and philosophy.

Emerging regional economies are encouraged to promote the importance of human capital development and deployment. They need to acknowledge that unless the right people are in the right places at the right time with the right skills and attitudes, the necessary development will not come about. They are encouraged to create practices, processes, and systems that leverage human capital to create value for the stakeholders.

Such practices, processes, and systems would embrace exploring the ecological base as a necessity for sustainable development and promoting the view that it is very difficult to separate communities from their natural environment and its ability to sustain them.

Emerging regional economies are provided with a strategy to continue to address issues like poverty alleviation, equity with regard to gender and development and employment creation at all organizational levels. They are encouraged to put in place systems that nurture ongoing relationships among actors, whom the local and regional interest groups are part of, for them to realize sustainable development for the benefit of all stakeholders.

Emerging regional economies are encouraged to view culture as an interactive dynamic in economic planning for sustainable development and to focus on the role of culture and its interaction with other systems, which have been more traditional basis for looking at development models. For emerging regional economies that plan for sustainable development, this study provides a new paradigm, one that is active and culture-centered.

Finally, this study challenges human resource development professionals, researchers, economic development planners and analysts to design intervention strategies and translate the theory into practice.

## Future Research

This research study recommends a case study on the application of this model in a real life setting. The study would focus on a regional organization like the Southern Africa Development Community (SADC), which comprises of 10 nation-states namely; Angola, Botswana, Democratic Republic of Congo, Malawi, Malaysia, Mozambique, Namibia, South Africa, Zambia, and Zimbabwe. On its formation, SADC was viewed as having the greatest potential for economic development on the African continent.

The case study would be delimited to planning for sustainable development of the tourism industry in the SADC region. The researcher would then identify the stakeholders using the key factors of the model. After identifying the stakeholders, the researcher would ensure that there is representation within and between stakeholders at sub-national level first who will share their views on how tourism could be developed within their communities. These views would then be taken up at nation-state level where the nation-state priorities or concerns are shared. The nation-state views would then be taken up to the next level, the region-state level. The researcher would ensure that the stakeholder representation is maintained throughout the process.

When the stakeholders meet at region-state level we see the emerging regional tourism economy: critical economic dynamics at play. The critical factors move from static to dynamic when the zone of cultural economic interactive awareness emerges. The different actors from different countries and at different actors' levels of practices put forward their priorities and concerns about sustainable tourism industry. As they deliberate on these issues, they would consider key forces within and between sub-nation-states and nation-states as well the global forces. During the negotiations some consensus would begin to emerge and that would reflect the emergence of the zone of interactive economic dynamic equilibrium whose critical factors would be ecological base/capacity, cultural dimensions, and economic system technical capability and philosophy. These actors would formulate the way forward/direction/vision, as a group and taking cognizance of the different voices. They will also come up with their strategic business model for competitive advantage, total quality management systems, how to negotiate through tension in order to achieve a dynamic economic equilibrium and create culturally embracing sustainable systems.

The decisions arrived at would then be taken back to nation-state and sub-state levels in that order. At this level the planning for sustainable development of the tourism industry in the SADC region would be complete.

The researcher would video-record all these meetings or planning sessions at all levels. The researcher would then transcribe the video-tapes and analyze the data and compile a report of the study. The researcher would use the case study to assess the applicability of the model.

# EPILOGUE

> Smart people are more likely to do stupid things when they close themselves from outside criticism and advice and this is most essential in those realms where expertise seems to matter most (Stiglitz, 2000).

When the researcher began this journey he had no great expectations. He always wondered how he was going to contribute to the body of knowledge. When the theoretical model evolved, it sounded a great achievement. Such feelings quickly disappeared from him when he encountered what seemed the greatest challenge on this journey, taking the model out to the international experts for validation. The greatest fears centered on the possibilities of the model being torn into pieces, or failing to convey meaning to the real world. As the interviews came to an end, the fears had turned into confidence because the model had been viewed as thought provoking, a good initiative, relevant, appropriate, a significant contribution toward debate on sustainable development and useful to scholars who are grappling with the issues of cultural and economic development. It was a privilege to exchange views with some of the world's academic gurus. After these experiences, the researcher is more confident in many ways and has a sense of maturity that the process refined. He can look at the world differently and can integrate multiple perspectives to form a cogent whole.

Always "The fear of the LORD is instruction in wisdom, and humility goes before honor" (Revised Standard Version, Proverbs 15:33)

GO AN EXTRA MILE, IT'S NEVER CROWDED

## REFERENCES

Adelman, E. (2000). The minimal conditions for a financial crisis: a multiregional intertemporal CGE model of the Asian crisis, World Development. vol. 28, no. 6 ; p. 1087-1100

Aguilar, F. (1967). Scanning the business environment. New York, NY: Macmillan.

Agundu, P. U. C. & Karibo, N. O. (1999). Risk analysis in corporate merger decisions in developing economies: A case study of the Lipton-Level Brothers in Nigeria. Journal of Financial Management and Analysis, vol. 12, no. 2 (Jul-Dec): p. 13-17.

Anderson, B. (1994) sub-Saharan Africa: Developing potential. Asset Finance and Leasing Digest, Emerging Markets Supplement. October, p. 27- 29

Anderson, J. E. (1979). Public Policy-Making. Holt, Rinehart and Winston, New York.

Andrews, K., (1987) The Concept of Corporate Strategy .New York. R.D. Irwin.

Ang, S. H. and Leong, S. M. (2000). Out of the mouths of babes: Business ethics and youths in Asia. Journal Business Ethics, vol. 28, no. 2 (Nov): p. 129-144.

Anthony, W. P.; Bennett, R. H. III,; Maddox, E, N. & Wheatley, W. J. (1993). Picturing the future: Using mental imagery to enrich strategic environmental assessment. Academy of Management Executive, v7, n2 (May): p. 43-56.

Arnold, D. J. & Queich, J. A. (1998). New strategies in emerging markets. Sloan Management Review, vol. 40, no. 1, (Feb): p. 7-20.

Arora, V. (2001). Financial crises in emerging markets: An essay on financial globalisation and fragility. Finance and Development, vol. 38, no. 2. (Jun): p. 58.

Astley, W. G. (1985). Administrative science as socially factored truth.. Administrative Science Quarterly, 30: 497-513.

Astley, W. G. and Zammuto, R. F. (1992). Organization science, managers, and language games. Organization Science, 3: 444-460.

Banning, J. H. (1995). Environmental scanning: Application to college and university housing. Journal of College and University Student Housing, v25, n1 (Summer) p.30-33.

Banuri, T., Hyden, G., Juma, C., & Rivera, M. (1994) SHDTrom Concept to Operation:A Guide for the Practitioner. UNDP.

Barrett, R. (1997). Liberating the corporate soul, HR Focus, vol. 74, no. 4 (April): p. 15-16.

Baunol, W. J. (1990). Entrepreneurship: Productive, unproductive, and destructive. Journal of Political Economy, vol. 98, no. 5: p. 893-921.

Bazzotta, V. (1997). Achieving high performance. Executive Excellence, vol. 14, no. 11, (Nov): p. 19

Becker, H. S. (1986). Doing things together. Evanston, IL, Northwestern University Press.

Bell, D. (1976) The Coming of the Post Industrial Society. A Venture in Social Forecasting. Basic Books.

Bennis, W. (1991). 21st Century Leadership, Executive Excellence, vol. 8, no. 5, (May): p . 3-4

Blaug, M. (1985) Where are we now in the economics of education?, Economics of Education Review, vol 4, no1: p.17-28.

Bogdan, R. C. & Biklen, S. K. (1998). Qualititaive Research for Education. An Introduction to Theory and Methods. Boston, Allyn and Bacon

Bradley, J. & Hamilton, D. (1999). Strategy 2010: Planning economic development in Northern Ireland. Regional Studies, vol. 33, no. 9, (Dec): p. 885-890.

Breslin, S. & Higgott, R. (2000). Studying regions: learning from old, factoring the new. New Political Economy, vol. 5, No. 3, p.333-352.

Brislin, R. W. (1997). Cross-cultural Encounters. Oxford: Pergamon Press.

Brown, A. D. (1998). Narrative, politics and legitimacy in an IT implementation. Journal of Management Studies, 35: 35-58.

Burnes, B. (1996) Managing Change. A Strategic Approach to Organisational Dynamics. Pitman Publishing, London

Cameron, D. & Stein, J. G. (2000). Globalization, Culture and Society: The State as a Place Amidst Shifting Spaces, Canadian Public Policy-Analyse De Politiques, Vol. XXVI, Supplement/Numero Special 2, p. S15-S34

Cameron, P. D. (2001). Life after planning, CMA Management vol.75, no. 4 (June): p. 14

Carson, W. M. (1994). Strategic planning and the anatomy of change. Journal of Management Consulting, vol. 8, no. 1, (Spring): p. 30-39.

Castells, M. & Hall, P. (1994) Technopoles of the World. London and New York: Routeledge.

Cerny, P. G. (1995). Globalization and the changing logic of collective action. International Organization v49, n4 (Autumn), p. 595-625.

Chambers, R. (1995). Poverty and Livelihoods: Whose reality counts? UNDP

Chandler, A. D. (1962). Strategy and Structure. New York. M.I. T. Press.

Chang, H. (1996). The Political Economy of Industrial Policy. London, Macmillan.

Chen, J. (1994). Co-operative Network and Structure of Living: a Socio-economic Analysis of Taiwan's small and medium Enterprises. Lien Jian Publishing Co

Cheng, T. (1992-1993). Dilemmas and Choices in educational policies: The Case of South Korea and Taiwan. Studies in Comparative International Development v27, .n4 (Winter): p. 54-79.

Chitsika, R., Geroy, G. D. & Edgeman, R. (2001). Quality management in emerging economies: A cultural perspective. Towards a Sustainable Excellence, Strategy, Quality, Innovation. Proceeding of the 2nd MAAOE International Conference, Versailles, France, 26-28 Sep: p. 104-112.

Chu, T. C. & MacMurray, T. (1993). The road ahead for Asia's leading conglomerates. McKinsey Quarterly no. 3: p. 117-129.

Cohen, M. (1993). Regionalism's lure. Chief Executive n87 (Jul/Aug); p. 28-33.

Cole G.A., (1994) Personnel Management Theory and Practice. London. ELBS with DP Publications

Corbin, J. & Strauss, A. (1990). Grounded theory research: Procedures, canons, and evaluative criteria. Qualitative Sociology, vol. 13, p. 3-21.

Cosio, R. G. G. (1998). Social constructivism and capacity building for environmental governance. International Planning Studies v3 n3 (Oct): p. 367-389.

Crainer, S. (1999). Shared values break down borders. Management Today, vol.. 28, no. 4, (March): p. 109.

Creswell, J. W. (1998). Qualitative inquiry and research design. Thousand Oak, CA: Sage Publications.

Cronbach, L. J. (1988). Five perspectives on validity argument. In H. Wainer & H. Brown (Ed's). Test validity. Hillsdale, NJ: Erlbaum.

Cui, G. (1998). The emergence of the Chinese economic area (CEA): A regoicentric approach to the markets. Multinational Business Review v6, n1 (Spring) p.63-72.

Das, T. K. (2000). A resource-based theory of strategic alliances. Journal of Management. (Jan): 1-20.

David, F. R. (1986) Fundamentals of Strategic Management Merrill, Ohio.

Davis, C. L.; Gabel, M. J. & Coleman, K. M. (1998). Citizen response to regional integration in the America: The cases of Costa Rica and El Salvador. Studies in Comparative International Development, vol. 33, no. 2 (Summer): p. 88-109.

De Glopper, D. R. (1995). Lukang: Commerce and Community in a Chinese City. Albany: State University of New York Press.

De Kadt, M. (1997). Financing change: The financial community, eco-efficiency, and sustainable development. Organization and Environment, vol. 10, no. 4. (Dec): p. 449-452.

Denzin, N. (1984). The research act. Englewood Cliffs, NJ: Prentice Hall.

Denzin, N. & Licoln, Y. S. (Eds). (1994). Handbook of Qualitative Research. Thousand Oaks, CA: Sage.

Dia, M. (1991). Development and Cultural Values in Sub-Saharan Africa, Finance and Development, vol. 28, no. 4, (Dec): p. 10-13.

Donner, R. F. & Hershberg, E. (1999). Flexible production and political decentralization in Developing world: Elective Affinities in the pursuit of competitiveness? Studies in Comparative International Development. v34, n1 (Spring), p.45-82

Drohan, W. (1997) Principles of strategic planning. Association Management v49, n1, (Jan): p. 85-87.

Drucker, P. (1999). Creating community. Executive Excellence, vol. 16, no. 10. (Oct): p. 5

ECLAC (1990). Changing production patterns with social equity: the prime task of Latin America and Caribbean development in the 1990s. ECLAC, Santiago, Chile.

Edgeman, R. L., Geroy, G. D. & Chitsika, R. (2001). In search of the BEST Chord: Harmonizing business excellence and sustainable development. Towards a Sustainable Excellence, Strategy, Quality, Innovation. Proceeding of the 2nd MAAOE International Conference, Versailles, France, 26-28 Sep: p. 104-112.

Ekins, P. and Newby, L. (1998). Sustainable wealth creation at the local level in an age of globalization. Regional Studies v32, n9 (Dec), p.863-871

Ely, M.; Anzul, M.; Friedman, T.; Garner, D.; & Steinmetz, A. C. (1991). Doing Qualitative Research: Circles within circles. New York: Falmer.

Erlandson, D. A.; Harris, E. L.; Skipper, B. L.; & Allen, S. D. (1993). Doing naturalistic inquiry: A guide to methods. Newbury Park, CA: Sage.

ESCAP (1990). Restructuring the developing economies of Asia and the Pacific in the 1990s. United Nations, New York

Esman, M. J. (1966). The Politics of Development Administration in J. D. Montegomery and W. J. Siffins (Eds). Approaches to Development: Politics, Administration and Change. New York, McGraw Hill Book Company

Fargerlind, I. & Saha, L. J. (1997) Education and National Development: A Comparative Perspective. 2nd ed. Oxford, Pergamon Press

Fenwick, L. (2001). Emerging markets: Defining global opportunities. Franchising World, vol. 33, no. 4. (May/Jun): p. 54-55.

Ferrier, W. J. (2001). Navigating the competitive landscape: The drivers and consequences of competitive aggressiveness, Academy of management Journal, vol. 44, no. 4, (Aug): p. 858-877

Financial Gazette (2001). Financial Gazette. (October, 18

Financial Times London Edition (1998). News: International: Egypt a step nearer taming the Nile: But Cairo's plans are turning the politics of the river into a complex regional Preoccupation. Financial Times London Edition, (February, 20): p. 4.

Financial Times (1996). Survey-World Economics and Finance: Contrasting roads to the market. Financial Times Surveys Edition, (Sep. 27): p. 6

Firestone, W. A. (1993). Alternative arguments for generalizing from data as applied to qualitative research. Educational Researcher, 22, (4): 16-23.

Fischer, S. (1998). The Asian Crisis: A View from the IMF, Journal of International Financial Management and Accounting, vol. 9, no 2: p. 167-176.

Flynn, G.& Farrell, H, (1999). Piecing together the democratic peace: The CSCE, norms, and the "factorion of security in post-Cold War Europe. International Organization v.53, n3, (Summer): p. 505-535.

Frank, A. G. (1972). Lumpenbourgeoisie and Lupendevelopment, New York: Monthly Review Press.

Friedrich, C. (1963). An Empirical Theory of Politics. Man and his Government. McGraw-Hill, New York

Galtung, J. (1971) A structural theory of imperialism, Journal of Peace Research, vol. 8, no2: p. 81-117

Garten, J. E. (2000). World View. Global Strategies for the New Economy. Harvard Business School Press, Boston.

Geroy, G. D., Jankovich, J., & Wright, P. C. (1997). Research design decisions: An integrated qualitative and quantitative model for DMRs. Performance Improvement Quarterly, vol. 10, no. 3: p. 22-36.

Geroy, G. D., Jankovich, J., Hyden, T. & Wright, P. C. (1997). HRD and microenterprise development: Socio-economic capacity building in LDCs. Empowerment in Organizations Journal, vol. 5, no. 2: p. 65-75.

Giddens, A. (1996). In Defence of Sociology. Cambridge, Cambridge University Press.

Glaser, B. G. & Strauss, A. L. (1967). The Discovery of Grounded Theory: Strategies for Qualitative Research. Chicago, Aldine

Goodstein, L. D., Nolan, T. M. & Pfeiffer, J. M. (1993). Applied Strategic Planning: A Comprehensive Guide. New York, McGraw-Hill, Inc

Gore, C. G. (1996a). Methodological nationalism and the misunderstanding of East Asian industrialization. European Journal of Development Research, vol. 8, no. 1: p. 77-122.

Gore, C. (2000). The rise and fall of the WCMas a paradigm for developing countries. World Development, vol. 28, no. 5, : p. 789-804.

Grobler, P. A. (1996). In search of excellence: Leadership challenges facing companies in the new South Africa, SAM Advanced Management Journal, vol. 61, no, 2, (Spring): p. 22- 34.

Guba, E. G. (1981). Criteria for assessing the trustworthiness of naturalistic inquiries. Educational Communication and Technology Journal, 29, pp. 75-92.

Guba, E. & Licoln, Y. S. (1989). Fourth generation evaluation. Newbury Park, CA: Sage Publications Inc.

Guba, E. (1981). Criteria for assessing the trustworthiness of naturalistic inquiries.

Educational Communication and Technology: A Journal of Theory, Research and Development, 29, (2): 75-91.

Hague, N. U.; Husain, A. M. & Montiel, P. J. (1994). An Empirical "Dependent Economy" Model for Pakistan, World Development, vol.22, no.10, p. 1585-1597.

Hall, E. T. (1973). The Silent Language. Garden City, NJ: Anchor Books.

Hambrick, D. C. (1982). Environmental scanning and organizational strategy. Strategic Management Journal, vol. 3: p. 159-173

Hansen, F. (2001) Transparency in the developing world, Business Credit, vol. 103, no. 7 (Jul/Aug): p. 55-59.

Haq, M. ul. (1995). Reflections on human development. Oxford University Press.

Helfat, C. E. (1997). Know-how and asset complementarity and dynamic capability accumulation. The case of R & D. Strategic Management Journal, 18: 339-360

Herrling, M (1997). The African Development Bank: Opening Doors to Business in Africa. Business America vol. 118, no. 1 & 2, (Jan): p. 31-33

Hettne, B. & Soderbaum, F. (2000) Theorising the Rise of Regionness. New Political Economy, vol. 5, no. 3, p. 457-473.

Hijab, N. (1995). Promoting SHD. National Entry Points. (June) UNDP (Draft).

Ho, Y. (1992) Trade, Industrial Restructuring and Development in Hong Kong. Macmillan.

Hodgson, K. (1992). Adapting Ethical Decisions to a Global Marketplace, Management Review, vol. 81, no. 5, (May): p. 53-57.

Hofstede, G. (1980). Culture's Consequences: International Differences in Work-Related Values. Newbury Park, CA: Sage Publications.

Hunt, S. D., Pamela, L. K., Lawrence, B. C. (1990). Social Responsibility and Personal Success: A Research Note, Journal of the Academy of Marketing Science, vol. 18, no. 3: p. 239-244

Inkeles, A. & Smith, D. H. (1974). Becoming Modern, London, Heinemann Educational Books.

International Monetary Fund (1997). World economic outlook. Globalization: opportunities and challenges. IMF, Washington DC.

Jansen, E.&Von Glinow, M. A. (1985). Ethical Ambience and Organizational Reward Systems, Academy of Management Review, vol. 10, no. 4: p. 814-822.

Jaycox, E. V. K. (1993). Capacity Building: The Missing Link in African Development (March), World Bank.

Jenkins, C. (1997) Economic Objectives, Public-Sector Deficits and Marco-economic Stabilily in Zimbabwe. World Bank, Washington.

Jennings, L. (2001). Society: Why nations develop differently. Futurist, no. 1 (Jan/Feb): p. 8-9

Johnson, H. J. (1967). The ideology of economic policy in the new States. In Johnson, H. G. Economic nationalism in old and new states (p. 124-141), Chicago: Chicago University Press

Johnson, D. M. (1992). Professionalism in Third World, Internal Auditor, vol. 49, no. 5, (Oct): p. 51-54

Jones, C. O. (1977). An Introduction to the study of Public Policy. Duxbury Press, Massachussetts.

Kaminsky, G. L. and Reinhart, C,. M. (2000). On crisis, contagion, and confusion, Journal of International Economics, vol. 51: p. 145-168.

Kaplan, H. & Laswell, H. D. (1970). Power and Society. Yale University Press, New Haven.

Kautsy, J. H. (1972). The Political Consequences of Modernization. New York, John Wiley and Sons, Inc.

Kay, C. (1989). Latin American Theories of development and underdevelopment. London: Routeledge

Kelle, U. (editor) (1995). Computer-Aided Qualitative Data Analysis: Theory, Methods and Practice. London: Sage.

Kluckhohn, F. & Strodtbeck, F. L. (1961). Variations in Value Orientations. Evatson, IL:Row Peterson.

Knapp, W. (1994). The road to regionalization. World Wastes v37, n6 (Jun); p.26.

Kogut, B. (1988). Joint Ventures: Theoretical and empirical imperatives. Strategic Management Journal, 9: 319-332.

Kraft, K. L. (1991a). The Relative Importance of Social Responsibility in Determining Organizational Effectiveness: Student Responses, Journal of Business Ethics, vol. 10, no. 3: p. 179-188.

Krajewski, S., Blank, S.; & Yu, H. (1994). North American business integration. Business Quarterly. vol. 58, no. 3 (Spring): p. 55-61

Kreitner, R. (1995) Management Houghton Mifflin Co

Krugman, P. (1995). Dutch tulips and emerging markets. Foreign Affairs. v74, n4, p.28-44.

Kuhn, T. (1970). The structure of scientific resolutions 2nd ed. In International encyclopedia of unified science vol. 2, no. 2. Chicago: University of Chicago Press.

Kwale, S. (1989). To validate is to question. In S. Kwale (Ed), Issues of validity in qualitative research (pp. 73-92). Lund, Sweden: Student-litteratur.

Landell-Mills, P. (1993) National perspective studies in Africa: A vision of a better future. Finance and Development vol. 3, no. 4, (Dec): p. 42-43.

Lawrence, B. S. (1997). The black box of organizational demography. Organization Science, 6: 1-22.

LeCompte, M. D. & Preissle-Goetz, J. (1982). Problems of reliability and validity in ethnographic research. Review of Educational Research, 52 (1), 31-60.

LeCompte, M. D. (1987). Bias in the biography: Bias and subjectivity in ethnographic research. Anthropology and Education Quarterly, 18: 43-52.

Lee, R. M. & Fielding, N. (editors) (1991). Using Computers in Qualitative Research. London: Sage.

Licoln, Y. S. (1990). The making of a factorivist. In E. G. Guba (Ed), The paradigm dialogue (pp. 67-87). Newbury Park, CA: Sage.

Licoln, Y. & Guba, E. (1985). Naturalistic inquiry. Newbury Park, CA: Sage Publications.

Lonkila, M. (1995). Grounded theory as an emerging paradigm for computer-assisted qualitative data analysis. In U. Keller (editor) Computer-Aided Qualitative Data Analysis: Theory, Methods and Practice. London: Sage.

Madhok, A. (1997). Cost value and foreign market entry mode: The transaction and the firm. Strategic Management Journal, 18: 39-61.

Magretta, J. (2000). Growth through sustainability : An interview with CEO Robert Shapiro. In J. E. Garten (Ed) World View: Global Strategies for the New Economy. Boston: Harvard Business School Publishing.

Maiteny, P. (2000). The psychodynamics of meaning and action for a sustainable future. Futures 32: p. 339-360.

Mariampolski, H. (1999). The power of ethnography. Journal of the Market Research Society , vol. 41, no. 1, (Jan): p.75-86.

Marshall, C. & Rossman, G. B. (1995). Designing qualitative research (2nd ed.). Thousand Oaks, CA: Sage

Mayur, R. and Daviss, B. (1998). How to develop an emerging nation. Futurist vol. 31, no. 1, (Jan/Feb): p.27-31

McGrath, R. G.; MacMillan, J. C.; & Yang, E. A. (1992). Does culture endure, or is it malleable? Issues for entrepreneurial economic development. Journal of Business Venturing, vol. 7, no. 6, : p. 441-458.

McKinley, W. (1999). Determinants and development of schools in organization theory. Academy of Management Review, (October): p. 1-20.

Meldrum, A. (2001). Zimbabwe's chaos costs its neighbors 25 billion British pounds,. Guardian Unlimited International, (Sep, 30): p. 1.

Melotti, U. (1977). Marx and the Third World, London: The Macmillan Press Ltd

Merriam, S. B. (1998). Qualitative Research and Case Study Applications in Education. San Francisco, CA: Jossey-Bass Publishers.

Messick, S. (1988). The once and future issues of validity: Assessing the meaning of consequences of measurement. In H. Wainer & H. Brown (Ed's). Test validity. Hillsdale, NJ: Erlbaum.

Miles, M. B. & Huberman, A. M. (1994). Qualitative Data Analysis: An expanded sourcebook (2nd Ed). Thousand Oaks, CA: Sage Publications.

Mkandawire, T. & Soludo, C. (1999). Our continent, our future: African perspectives on structural adjustment. Trenton, NJ and Asmara, Eritrea: Africa World Press.

Mone, M. A. & McKinley, W. (1993). The uniqueness value and its consequences for organization studies. Journal of Management Inquiry, 2: p. 284-296

Montagu-Pollock, M. (1991). All the Right Connections, Asian Business, vol. 27, no. 1: p. 21-24.

Morgan, P. & Carlan, V. (1994). Emerging Issues in Capacity Development: Proceedings of a Workshop. Institute of Governance, Ottawa

Morse, J. M. (Eds.). (1989). Qualitative nursing research: A contemporary dialogue. Newbury Park, CA: Sage.

Muradoglu, G., Berument, H., & Metin, K, (1999). Financial crisis and changes in determinants of risk and return: An empirical investigation of an emerging market (ISE). Multinational Finance Journal, vol. 3, no. 4, (Dec): p. 223-252.

Murphy, K. R. & Shofer, D. (2001). Psychological Testing: Principles and Applications 5th ed. Upper Saddle River, NJ: Prentice Hall.

Naim, M. (2000). WCMor Washington confusion? Foreign Policy 118 (Spring ), p.86-103

Nash, I. (2001). Sustaining the test of time. Australian CPA, vol 71, no. 2, (March): p. 33-34

O'Farrell, P. N., Wood, P. A., & Zheng, J. (1998). Regional influences on foreign market development by business service companies: Elements of a strategic context explanation. Regional Studies, vol. 32, no. 1, (Feb): p. 31-48.

Pentland, B. T. (1999). Building process theory with narrative : From description to explanation. Academy of Management Review. (Oct): p. 1-19.

Pervin, L. A. (1984). Personality. New York: Wiley.

Pfeffer, J. (1997). New directions for organizational theory: Problems and prospects. New York: Oxford University Press.

Poon, T. S. (1996). Dependent Development: The subcontracting networks in the tiger Economies. Human Resource Management Journal v6, n4,: p.38-49

Popper, K. R. (1960). The poverty of historicism (2nd ed). London: Routeledge, Kegan and Paul.

Porter, M. V. (1999). Embrace the future by scanning the present. Association Management, vol. 51, no. 8, (Aug): p.87-89.

Ranney, A. (1986). Political Science and Public Policy. Markham Publishing Company, Chicago.

Revised Standard Version (2001): Proverbs 15verse 33. The Holy Bible.

Reynolds, L. (1994) Institutionalizing flexibility: A comparative analysis of Fordist and post-Fordist models of third world agr-export production. Commodity chains and global capitalism, edited by Gary Gereffi and Miguel Korzeniewicz. Westport, Conn:Praeger.

Roche, D. (2001). Why the emerging-market crisis won't spread. Euromoney, vol. 16, no. 388, (Aug): p. 16.

Roelofsen, H. (1993). Promoting intraregional trade: A strategic approach for developing countries. International Trade Forum, no. 3: p. 14-21.

Rogerson, C. M. (1998) Restructuring the post-apartheid space economy. Regional Studies, vol. 32, no. 2, (Aug): p. 187-197.

Rosen, R.; Digh, P.; Singer, M. & Phillips, C. (2000). Global Literacies. Lessons on Business Leadership and National Cultures. Simon and Schuster, New York.

Rosenblatt, A., Perry, T. S., Damrot, S. M., Gwyune, P. Watson, G., & Fitzgerald, K. (1991) The formula for competitiveness. IEEE Spectrum v28, n6, p. 49-62

Roxborough, I. (1976) Dependency theory in the Sociology of development: Some theoretical problems,West African Journal of Sociology and Political Science, vol. 1, no2: p.116-113.

Rudestam, K. E. & Newton, R. R. (1992). Surviving your dissertation: A comprehensive guide to content and process. Newbury Park, CA Sage Publications.

Ruseckas, L., (2000). Turkey and Eurasia: Opportunities and risks in the Caspian pipeline derby. Journal of International Affairs, vol. 54, no. 1, (Fall): p. 217-236

Sawyer, D. (2001). The Forest or the Trees? Competitive Intelligence Magazine, vol. 4, no. 3, (May): p. 43-44.

Scanlan, S. (2000). Taiwan startups go back to school. Asian Business v36, n8, (August) p.36.

Schein, E. R. (1985). Organizational Cultures and Leadership, Jossey-Bass Inc., San Franscisco.

Schultz, T. W. (1961) Investment in human capital; American Economic Review, vol. 51 (March): p.1-17.

Shanahan, M (1999). Competing globally: Human intervention the key. Pulp and Paper, vol. 73, no. 2, (Feb): p. 124

Shapiro, D. (1993). Taiwan: Taipei enlists private help. Asian Business v29, n1, (Jan): p.20.

Sigmund, P. E. (1963). The Ideologies of the Developer Nations. New York, Frederick A. Prager, Inc.

Singh, A. (1994). Openness and the market-friendly approach to development: learning the right lessons from development experience. World Development, vol. 22, no. 12: p. 1811-1823.

Smit, P.J. & Cronje, G.J.de., (1992) Management Principles A contemporary South African Edition. Kenwin. Juta and Co. Ltd.

Starling, G. (1979). The Politics and Economics of Public Policy. An Introductory Analysis with Cases. Dorsey Press, Illinois

Steiner, G. A. (1972). Social Policies for Business, California Management Review, (Winter): p. 17-24

Steiner, G.S., (1979) Strategic Management. London. Free Press

Spradley, J. P. (1980). Participant Observation. New York, Rinehart & Winston

Stake, R. E. (1995). The art of case study research. Thousand Oaks: Sage Publications

Stewart, D. W. & Shamdasani, P. N. (1990). Focus groups: Theory and practice. Newbury Park, CA: Sage.

Stiglitz, J. E. (1996). Some lessons from the East African miracle. World Bank Research Observer v11, n2 (Aug,) p.151-177.

Stiglitz, J. (1998). Towards a new paradigm for development: Strategies, policies, and processes. Prebisch Lecture given at UNCTAD, Geneva, October 19.

Stiglitz, J. E. (2000). The insider: what I learned at the world economic crisis. New Republic Online. **www.thenewrepublic.com**

Stigson, B. (Summer 2000). Sustainable development and business. Organization for Economic Cooperation and Development. The OECD Observer, no. 221/222: p. 36-37).

Stonner, J.A. F., Freeman, E.A. & Gilbert, D.A. (1995) Management. New Jersey. Prentice Hall.

Strauss, A. L. (1987). Qualitative analysis for social scientists. Cambridge, England: Cambridge University Press.

Strauss, A. & Corbin, J. (1990). Basics of qualitative research: Grounded theory procedures and techniques. Newbury Park, CA: Sage Publications.

Sweet, L. M. (1999) Regional Economic Development in the European Union and North America. Praeger Publishers, Westport.

Swyngedouw, E. (1992) Glocalisation, interspatial competition and monetary order. Cities and regions. Dunford and Kafkalis.

Syrquin, R. M. (1990). Linkages and the strategy of development, in : S Teitel, (Ed) Towards a New development Strategy for Latin America. Washington DC, John Hopkins University,: p. 103-136.

Thagard, P. (1992). Conceptual Revolutions. Princeton: Princeton University Press

Thayer, R.H., (1986) Software Engineering Project Management Los Alamitiors. IEEE Computer Society Press.

Turner, B. A. (1983). The use of grounded theory for the qualitative analysis of organizational behaviour. Journal of Management Studies, 20, 333-348.

Ulrich, D. & Wiersema, M. F. (1989). Gaining strategic organizational capability in a turbulent business environment. The Academy of Management Executive, vol. 3, no. 2, (May): p. 115-123.

UNCTAD (1996). Trade and development report. Geneva: United Nations.

UNCTAD (1998). Trade and development report. Geneva: United Nations

Vaizey, J. (1972) The Political Economy of Education, London; Duckworth Publishing Co

von der Mehden, F. R. (1969). Politics of Developing Nations, 2nd ed. Englewood Cliffs, NJ, Prentice Hall, Inc

von Weizsacker, E. ; Lovins, A. B.; & Hunter, L. L. (1997). Factor Four: doubling wealth, halving resource use: the new report to the Club of Rome. London (UK): Earthcan.

Wade, R. (1990) Industrial policy in East Asia: does it lead or follow the market? In in Manufacturing Miracles: Paths of Industrialization in Latin America and East Asia. Gereffi, G, and Wyman, D. L. Princeton University Press.

Ward-Schofield, J. (1993). Increasing the generalizability of qualitative research. In M. Hammersley (Ed.). Social research: Philosophy, politics and practice. London: Open University Press.

Weick, K. (1995b). Sensemaking in organizations. Thousand Oaks, CA: Sage.

Wheatley, M. J. (1999). Leadership and the new Science. Discovering Order in a Chaotic World. San Francisco, Berrett-Koehler Publishers

Wheelen, T. L. & Hunger, J. D. (1987) Strategic Management.Addison-Wesley; Massachusetts.

Wilensky, H. (1971). Organizational Intelligence. New York, NY: Basic Books

Williamson, J. (1993). Democracy and the 'Washington Consensus'. World Development, vol. 21, no. 8: p. 1329-1336.

Williamson, J. (1990). What Washington means by policy reform. In J. Williamson, Latin American adjustment: how much has happened? Washington DC: Institute of International Economics, p.5-20

Woodward, W. (1995). Understanding business protocol, Black Enterprise. vol. 25, no. 9, (Apr): p. 36

World Bank (1993). The East Asian Miracle. New York: Oxford University Press

World Bank (1997). Global economic prospects and developing countries. Washington DC: World Bank

Yang, M. M. (1994). Gifts, Favors, and Banquets: The Art of Social Relationships in China. Cornell University Press, Ithaca, Cornell.

Yip, G. S. (1996). Toward a new global strategy. Chief Executive no. 110, (Jan/Feb): p. 66-67.

Zarit, W. (1995). Taiwan mapping out plans to build the superhighway to its information future. East Asian Executive Reports v17, n1 (Jan): p.8-22

Zimbabwe Mirror (2001). Sub-Saharan Africa poorer than two decades ago, Zimbabwe Mirror, (Sep. 28): p. 1

## APPENDIX A: PROJECT APPROVAL FROM HUMAN RESEARCH COMMITTEE, OFFICE OF REGULATORY COMPLIANCE

Colorado Sate
University
Office of Regulatory Compliance
Office of Vice President for Research
and Information Technology
Fort Collins, CO 80523-2046
(970)491-1563

COPY

MEMORANDUM

TO: Gary Geroy, School of Education, 1588
FROM: Celia Walker, Administrator for the Human Research Committee
SUBJECT: **PROJECT APPROVAL**
Title: An Emergent Process Constructivism Model for Formulating a Sustainable Culturally Embracing Regional Economy
Protocol No.: 02-014H
Funding Agency: N/A
Funding Agency Deadline: N/A

DATE: February 11, 2002
I am pleased to inform you that the above-referenced project was approved by the Human Research Committee on February 4, 2002 for the period February 4, 2002 to January 24, 2003. Because of the nature of this research, it will not be necessary to obtain a signed consent form. However, all subjects must receive a copy of the approved cover letter printed on department letterhead. The requirement of documentation of a consent form is waived for the telephone interviews under § __ 117 ( c ) ( 2) with the use of the approved script.

**Approval is for 1o people**

A status report of this project will be required within a 12-month period from the date of approval. You will be sent a reminder approximately two months before the protocol expires. The Principal Investigator will report on the numbers of subjects who have participated this year and project-to-date, about problems encountered, and provide a verifying copy of the consent form or cover letter used. The necessary form (H-101) is available from the Regulatory Compliance web page (see below). Should the protocol not be renewed before expiration, alt activities must cease until the protocol has been re-reviewed.

It is the responsibility of the investigator to immediately inform the Committee of any serious complications, unexpected risks, or injuries resulting from this research. It is also the investigator's responsibility to notify the Committee of any changes in experimental design, participant population, or consent procedures or documents. This can be done with a memo which completely describes the changes and their consequences (new consent form or cover letter, or altered survey instrument, for example). Students serving as Co-Principal Investigators may not alter projects without first obtaining PI approval. The PI is ultimately responsible for the conduct of the project.

This approval is issued under Colorado State University's OHRP Federal Wide Assurance 00000647 issued July 1, 2001. If approval did not accompany a proposal when it was submitted to a sponsor, it is the researcher's responsibility to provide the sponsor with the approval notice.

Please direct any questions about the Committee's action on this project to me for routing to the Committee. Additional information is available from the Regulatory Compliance web site at www.research.colostate.edu/regulatory/

Attachment
xc! Ruben Chitsika w/attachment

# APPENDIX B: SELECTIVE, AXIAL AND OPEN CODES

## EMERGENCE OF A GROUNDED THEORY

Viewed by experts as:

- New model
- Embracing all key variables
- Culture centered model
- Flexible model
- Good initiative
- Important model
- Interesting model
- Multidisciplinary model
- New paradigm
- Relevant model
- Thought provoking

## SELECTIVE CODES

| Cultural Systems | Actors' Identities/Interests and their levels of practices | Globalization Factors |
|---|---|---|

## AXIAL CODES AND THE RESPECTIVE OPEN CODES

### Cultural dimension and dynamic synthesis

- Cultural dimensions interact
- Cultural dimensions-elements of ecological base/capacity relationship
- Cultural systems inform public policies
- Culture and planning
- Culture and power relationship
- Culture could embrace economics
- Culture emerges from dynamic synthesis
- Culture implicates power
- Culture not monolithic
- Culture-based sustainability
- Five cultural dimensions
- Implications of multiple cultures
- Importance of cultural dimensions
- Importance of culture
- Importance of culture in development
- Power and value choice

### Actors' Interests/Identities

- Actors and structures tend to overlap
- Broad-based consultation
- Dynamic equilibrium
- Dynamic interaction
- Dynamism
- Importance of diversity
- Importance of interaction
- Importance of interaction and negotiation
- Importance of multiple actors
- Importance of worldview
- Interaction and decision-making
- Interaction and potential for development
- Interaction by actor and by structure
- Interdependence
- Multiple actors tension is high
- Multiple cultures present greater opportunities
- Need for consultation
- Spiral and circular interaction
- Sustainability defined differently

### Global Forces

- Dominance of worldview and motivation
- Enormous pressure from globalization
- Globalization historical domination
- Globalization key variables
- Globalization pressure
- Importance of globalization
- Importance of motivation
- Importance of world view
- Spiral and circular interaction
- Values conflict

### Motivation

- Different motives
- Dominance of worldview and motivation
- Importance of motivation
- Importance of worldview
- Motivation tend to be linked strategy
- Spiral and circular interaction
- Sustainability defined differently

| | | |
|---|---|---|
| • Power drives cultural processes<br>• Spiral and circular interaction<br>• Sustainability defined differently<br>• Interwoven issues<br><br>**Ecological base/capacity and indigenous knowledge base**<br>• Audience specific<br>• Components of ecological base/capacity.<br>• Ecological capacity<br>• Importance of context<br>• Importance of grassroots support<br>• Interaction and potential for development<br>• Interdependence<br>• Leads to economic system with relevant tenets<br>• Man and his ecological base<br>• Spiral and circular interaction<br>• Uniqueness of culture for each context<br><br>**Capacity building and seeking**<br>• Drivers of sustainable development<br>• Empowerment<br>• Importance capacity building/seeking<br>• Importance of education<br>• Interaction and potential for development<br>• Interaction by actor and by structure<br>• Interdependence<br>• Spiral and circular interaction<br>• Sustainability defined differently<br><br>**Economic system technical capability and philosophy**<br>• Importance of cultural dimensions | • Take this to politicians first and foremost<br><br>**Internal forces**<br>• Broad-based consultation<br>• Critical role of politics<br>• Importance of worldview<br>• Interaction and decision-making<br>• Interaction and potential for development<br>• Interaction by actor and by structure<br>• Interdependence<br>• Politicians plan on short-term basis<br>• Spiral and circular interaction<br>• Take this to the politicians first and foremost<br><br>**Conflict negotiation and system sustainability**<br>• Accommodate turbulence and calm<br>• Accommodate what if cases<br>• Choice of model is conflict ridden<br>• Conflict/tension/struggle relationship<br>• Determining criteria for sustainability<br>• Dynamic equilibrium<br>• Dynamic interaction<br>• Dynamism<br>• Equilibrium a goal<br>• Importance of interaction and negotiation<br>• Importance of worldview<br>• Interaction and decision-making<br>• Multiple actors tension is high<br>• Need for consultation<br>• Potential for conflict/struggle/tension very high<br>• Power and struggle relationship<br>• Spiral and circular interaction<br>• Tension/struggle/conflict/dynamism<br>• Values conflict ridden<br><br>**Structures/Actors' Levels** | |

| | | |
|---|---|---|
| • Importance of worldview<br>• Measuring cultural dimension<br>• Reflect on economic system technical capability<br>• Region-state worldview and sustainability<br>• Region-states have different orientations<br>• Socioeconomic capability<br>• Spiral and circular interaction<br>• Sustainability and economic development relationship<br>• Sustainability defined differently<br><br>**Quality Management, sustainability, vision, strategy**<br>• Determining criteria for sustainability<br>• Measuring cultural dimensions<br>• Politicians plan on short-term basis<br>• Quality<br>• Spiral and circular interaction<br>• Strategy<br>• Strategy formulation an interactive process<br>• Sustainability<br>• Sustainability defined differently<br>• Vision | **of Practices and Power Relationships**<br>• Actors and structures tend to overlap<br>• Critical role of politics<br>• Different levels of power<br>• Different levels of structure<br>• Dynamic equilibrium<br>• Dynamic interaction<br>• Dynamism<br>• Equilibrium a goal<br>• Importance of structures/actors' levels of practices<br>• Importance of worldview<br>• Interaction and decision-making<br>• Interaction and potential for development<br>• Interaction by actor and by structure<br>• Interdependence<br>• Power and culture relationship<br>• Power and struggle relationship<br>• Power and value choice<br>• Power drives cultural processes<br>• Spiral and circular interaction<br>• Structure context and actor relationship<br>• Structures are outcomes of interaction<br>• Sustainability defined differently<br>• Take this to politicians first and foremost | |