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Editorial Comments

"Economic development" is a phrase rich with associations, not all of them positive. Vast disparities in opportunity and wealth mean that for many any supposed trickle down is either infrequent or non-existent. There are many instances where there is clear evidence of the propensity that mankind has to not only fail to learn from mistakes, but to repeat them with alarming regularity. To some it appears that the concerns raised in such seminal works as Rachel Carson's *Silent Spring* and E.F. Schumacher's *Small is Beautiful: Economics As If People Mattered* have gone unheeded. We can all benefit from visiting or re-visiting such books, for in so doing we may come to appreciate the degree of our own fallibility.

This edition of the *International Journal of Business & Economic Development (IJBED)* contains eight scholarly articles conforming to the principal objective of the journal, namely the dissemination of both applied and theoretical knowledge. The papers provide a stimulating insight into a range of issues, both with local and global significance, and afford us an opportunity to appreciate the way in which various sectors and economies are wrestling with various challenges. The findings of a number of these papers are significant not only for academicians, but also for professionals, policy makers and those responsible for local, regional and national strategy. It is evident that whilst there is clear evidence of mankind's ingenuity in a range of circumstances, there is also a wealth of evidence presented herein of a lack of foresight in a variety of sectors and areas of human endeavour. Short-termism continues to blight lives and impoverish entire nations and the world as a whole. As ever the Editorial Board is grateful to the contributors for making IJBED the platform by which they have chosen to put their research into the public arena, and trust that they will use their good offices to ensure that others do the same.

The first paper of this edition is by B. Kuch and is entitled: The impact of operational closure and reflection on juncture system. Reassuringly this paper anchors itself firmly in relevant theory, whilst aspiring from the outset to develop an appropriate model that explains and improves the managerial process. Central to the research is the contribution played by reflection, an activity that for all its benefits requires honesty, time and space. Herein lies one of the greatest challenges, how does an organisation help shape the optimal conditions for meaningful reflection? For many, what might be desirable for an ideal world often appears utterly impractical for a reality that sees the pressures of quarterly targets, periodic organisational restructuring and day to day firefighting in order to survive another day. Some organisations appear permanently frenetic, whilst others are enveloped in a sense of *ennui*. The human dimension provides that permanent variable that is the *je ne sais quoi* that has a habit of knocking theories and models off kilter.

Kuch is quite right to emphasise the role of communication, yet even here working patterns are changing so rapidly that it is difficult to anticipate where things will be in five years' time let alone by 2050. That said, we must endeavour to make the most of the here and now, and a clearer understanding of operation dynamics and the role of operational closure has to be a good thing. Considerable play is made of various synergies, yet maybe we all would benefit from reflecting upon the symbiotic relationships that exist both within and without an organisation. The workplace is often replete with examples of mutualism and commensalism, and if we are honest there is usually some evidence of parasitism. Our ability (or not) to take an holistic approach to viewing an organisation surely will inform both our capacity for meaningful

reflection, but also the ideas and solutions that we contribute to the daily discourse in respect of taking matters forward.

There is a tendency in academia to reach for the low hanging fruit, a fact that results in seemingly endless research and case studies that focus on major multinationals. Thus our second paper is all the more refreshing as it endeavours to elucidate the informal economy. **Informal economy in emerging economies: not a substitute but a complement! - Deepraj Mukherjee** offers the reader some fascinating insights into the reasons for the existence of the informal economy, both in developed and developing nations. Whilst there is a growing body of research into this 'sector', it is multifaceted and as such requires a nuanced and careful handling. What was once dubbed 'the Black Economy' is more often than not a series of various shades of grey. Context is king, especially in societies where judicial redress is near non-existent. Mukherjee in his attempt "to fill the lacuna that exists" in this regard uses his extensive literature review and cogent analysis to explain that matters are not only more complex than they might at first seem, but also more worthy of our attention. The section on "Existence" and "Persistence" deserve particular attention.

Whilst there is some mention made of carers, maybe there was scope to acknowledge the immense economic contribution that they make. In 2015 a joint report by Carers UK and the University of Sheffield entitled *Valuing Carers 2015 - the rising value of carers' support* claimed that carers saved the UK £132 billion a year. Similarly the Office for National Statistics have calculated that the value of unpaid work in the UK is £1.01 trillion.

When it comes to informal work there is a general assumption that this is largely illegal, yet this research clearly demonstrates that the picture is much more complicated than this. Add in issues such as bureaucracy and corruption and it is evident that the topic has dimensions that warrant a concerted effort to avoid simplistic conclusions. Those that operate in the informal economy are not necessarily on the margins, and all need to be mindful of the actions and edicts of those in authority. Recent actions in relations to 100 bolivar notes in Venezuela and demonitising of certain denominations of Indian rupee notes underscores the perils that exist.

Mukherjee makes clear that there is a symbiotic relation between the formal and informal economy. In many respects the informal economy is in rude help, and he concludes with conviction that in some respects it has the potential to outperform and outgrow the formal economy. With that in mind maybe we all need to take the sector far more seriously.

The ability to develop and perfect existing structures, systems and mechanism is something that speaks volumes of man's capacity for progress. In various fields of endeavour there is a constant quest to reduce risk and optimise the means by which informed decisions can be made that results in a competitive advantage, and potentially greater profit. The third paper of this edition fit neatly into such an ambition. **An enhanced artificial neural network for stock price predictions - Ma, Huang & Kwok.** The design and use of an information processing paradigm offers a means by which modelling can be deployed as a means of stock price prediction. Process enhancement and product fine tuning tells us as much about human ingenuity, as it does about the factors that have the capacity to throw calculations out of kilter. In 2016 we have plenty of examples of experts being confounded at nearly every turn, thus any means that can drill down on available data and enable reason extrapolations, has to be of value. As for what makes up "reasonable extrapolations" that is another avenue for research altogether.

Rwanda has in the minds of many become synonymous with inter-ethnic hatred and genocide. For all that has gone before the country has made extraordinary progress in a number of areas of endeavour, and is certainly worthy of a number of case studies. It might surprise many to hear that Rwanda has the highest percentage of women legislators of any country in the world, although serious gender imbalances still persist. Thus the next paper is especially

pertinent: **Promoting gender equality in access to microcredit through flexible lending approaches of female targeting MFIs. Evidence from Duterimbere MFI of Rwanda - Mukamana, Sengendo&Okiria.** This paper highlights a number of challenges faced by women when it comes to accessing micro finance, more often than not these results come about due to gender stereotyping and the fact that male designed business models and services take insufficient note of the reasons why women may wish to access finance in the first place. The point about rural women being excluded, marginalised or overlooked is well made, and whilst Rwanda generally has a better record than most in regards to gender, processes still need to be further streamlined. The issue about collateral is an interesting one, as is the fact that all too often women are offered very small loans, a fact that in some cases would not happen to men. In patriarchal societies men still have a hold and the issue of forms requiring a signature by a spouse is very telling.

The company studied here demonstrates a willingness to adapt, whilst this is heartening, it must be remembered that is often the exception and not the rule. Rural communities remain significantly disadvantaged, a point further underlined in the Rwanda Financial Sector Strategy (http://www.minecofin.gov.rw/fileadmin/templates/documents/sector_strategic_plan/Financial_Sector_Strategic_Plan_June2013.pdf). Whilst progress is being made, institutions clearly need to be far more pragmatic and responsive to the needs of various stakeholders. That said, it would have been interesting to have any available data on how the loans being sought by women are being used, then again, maybe that it is somewhat outside the scope of this particular research.

For the next paper we move to the issue of procurement, a topic that can be a thorny one, not least because theoretically things should be straightforward, and yet the situation in reality never seems to be quite as clear cut as it might be. **How does procurement capacity maturity affect e-Procurement adoption and leverage purchasing in supply chain - Pongpanga Pongsuwan** is a paper that underscores the centrality of procurement in business operations. Whilst great play is made of the importance of e-procurement, we would all too well to remember that the lion's share of purchasing is still paper-based. Problems concerning the compatibility of systems are widespread, as is the challenge of the fact that not all enterprises can afford to upgrade ageing or obsolete systems. E-procurement is essentially involves deploying a comprehensive integrated IT network, and as such the challenges should be evident. Such systems and processes are replete with security and data protection issues, and are often dogged by the use of different systems. Furthermore efficiency and effectiveness is highly dependent upon personnel competency. This paper highlights the role of investment, for the size of spend would appear to yield significant returns. Such investment is often spasmodic in nature, and here in lies the danger of disconnect and misalignment. Convincing those in leadership roles to sustain and where possible increase investment is a Sisyphean task.

As we survey the employment landscape there is clear evidence of change. Many traditional areas of employment such as banking are shedding many thousands of jobs as technological innovation sees more and more customers banking online. Similarly others sectors are seeing certain roles replaced as a result of automation, and all the signs are that this trend is set to continue. Traditional those who work in the arts and creative industries have been used to less conventional employment methods, yet more often than not this sector is invariably overlooked when it comes to meaningful research as per its contribution to the wider economy. The next paper offers some new and in some respects surprising insights into this sector. **The economic role of the cultural and creative industry in Europe in the years of crisis 2008-2012 - Slawomir Kotylak** seeks to examine some of the drivers in the design and creative industries with a view to seeing how this sector can be developed further, and possibly help create

employment opportunities for those who in former times might have opted for supposed areas of employment. Kotylak makes a compelling case for a wider appreciation of the contribution being made by this often overlooked sector.

Whilst the analysis takes as its focus the years 2008-2012, the findings have a relevance to the debate post-Brexit, especially as the UK accounts for just under a quarter of all activity in the EU. Germany performs far less well and this provides considerable food for thought in relation to the prevailing mind-set and willingness to embrace degrees of nonconformity and originality. The paper has a clear message in regard to funding, with this sector consistently being underfunded. There seems to be something of an explanation here, if indeed wider society has yet to appreciate the contribution being made by design and creative sector, then maybe herein lies the reason why those providing access to funding streams are largely ambivalent or indeed appear risk averse. There is also the issue of tangible outcomes, something that is not always as concrete when it comes to the creative sector.

Countries that have traditionally languished well down the league table when it comes to creative and design sector would do well to explore further what the likes of the UK, Italy and the Nordic nations are doing that ensures that have such a broad and fertile base.

The penultimate paper of this issue is: **The impact of the Kingdom of Saudi Arabia's joining the World Trade Organization (WTO) on local marketing of national products - Najah Hassan Salamah.** The decision to begin the process of seeking to join the WTO is a momentous one, rich with possibilities, but equally charged with a whole panoply of responsibilities. No country undertakes the process likely, and it is imperative that the process will not be without some degree of discomfort. Inevitably members of such a process comes at a price, and often there are foreseen and unforeseen costs for local businesses. Saudi Arabia's skewed economy is already endeavouring to wean itself off its near total dependence on petroleum related industries, and by exposing itself to tariff free trade is certain to put certain sectors under new strains once they have to face intense competition. Whilst this study appears to highlight a general welcome to the country's desire to become a WTO member, it also makes clear that Saudi companies will have to raise their game. As things stand there are substantial regional disparities, and these would appear to have been largely overlooked.

In trading terms Saudi Arabia has been used to wielding a certain amount of power, something that was recently visible in its unilateral decision to halt live animal imports from Somaliland and others parts of the Horn of Africa. Being part of the WTO may well prove to be a veritable cold shower to some Saudi businesses, not least because for years they have been cossetted and shielded by the Saudi state. From a benchmarking and viability perspective the process is likely to be a healthy, if challenging one. As for the issue of demographic changes, especially a growing population, this should ring alarm bells, especially in the light of rising youth unemployment and under-employment, a fact that the Royal House and those it appoints foolishly tends to downplay. I am pleased to see *Vision 2030* (<http://vision2030.gov.sa/en>) mentioned in this paper, this document provides some useful pointers about future priorities, but in so respects it is all the more revealing for what has been omitted as to what has been included.

Having earlier made mention of E. F. Schumacher it is fitting that the final paper of this edition should take as its focus quality of life and human happiness. So enslaved have societies become to pursuit of profit and material gain that we have become blinded to those dimensions that have a lasting worth, and which bring an inner calm that is beyond price. **Impact of economic development on quality of life and human happiness: a study on urban socio economic classes of suburban Mumbai - Debjani Banerjee** raises some extremely important points that those who frame the current socio-economic debate actively sidestep. Whilst Banerjee

acknowledges the importance of economic development as a key dimension of development, it is evident that conventional thinking, I deliberately used the word 'thinking' rather than 'wisdom' eschews the spiritual and the long term. Some believe that society has become more and more prescriptive and has shed the spiritual along with vernacular dress. The fact that this paper makes mention of a meaningfully creative life should jolt us all. Few organisations and institutions are concerned about anything being meaningful, and cynics might say that the only creative element is the accounting that takes place. A paper of this nature is a challenge for us to reassess the priorities, especially in regards to taking the long view, something which society seems to have utterly failed to do, hence the manner in which it lurches from one crisis to another.

For some in leadership roles the mere mention of 'well-being' causes them to roll their eyes. Anything that smacks of the spiritual often elicits strong, even violent reactions from those who have an overtly secular agenda. That said, it does seem rather odd that companies are quite willing to accept the importance of work life balance, yet are troubled by any exploration of human happiness. By incorporating various extant indices this paper provides some useful starting points, which themselves are telling about what is currently not included. The criteria features in the Fragile States Index (<http://fsi.fundforpeace.org/>) provides some useful pointers of how things might be calculated differently. Rather than dismissing that which challenges our current way of doing things, we would do well to look afresh, and in so doing we might well begin the journey to taking a far more holistic approach one that sees us profit in ways that we have rarely done before.

So much of how we act is based on our ways of seeing, yet one of the greatest challenges we face is learning to look as well as see. It behoves us to endeavour to see the world differently, and to read that which surprises and challenges our preconceptions and misconceptions. If small is indeed beautiful, maybe we can make a start by looking at what some of the smaller countries are doing, in that respect: *The success of small countries and markets* (Natella & O'Sullivan, 2015) makes for an interesting read - See:

<http://publications.credit-suisse.com/tasks/render/file/index.cfm?fileid=EA9D1EC6-FABF-0E39-3FD0E5B31ED70F48>



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