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"Hard Vs. Soft Power in Global and National Politics: Innovative Concepts of Smart Power and Cultural Diplomacy in an Age of Interdependence, Digital Revolution, and Social Media"

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Abstract: Management principles and business schools were invented and developed in the 1940's by American professors and US industry leaders. Does it mean, today, that MBA graduates worldwide constitute a platoon of soft power soldiers, fighting under the Harvard Business School's banner?

To understand how soft power came to be, we first examine the historical context that gave rise to Joseph Nye's innovative theory in 1991. What kind of power can be described as "soft"? Is there not a zest of hegemony within? Because power is a highly contested concept, the debate is still open. Our study explores within an emerging market perspective, the influence of Soft Power in Management Education. Our findings reveal, based on individual and group interviews of Indian executives enrolled in MBA programs: 1/ the polymorphic influence of the American Model of Management Education, and 2/ some signs of a weakening attraction, while its influence remains strong. The findings raise the question, "could there be an open space for periphery alternatives of management education models"? This article proposes a reading of Management education through the lenses of Soft Power theory. It is a composition from our Master thesis "Management education of Indian Executives: a study of Soft Power" (Institut d' Etudes Politiques de Paris, 2010).

Biography : For the past 25 years, Josiane Martin O'BRIEN, has been engaged in International relations development, of which half in the higher education field, mainly at ESCP Europe Paris, a leading school in management with four campuses in Europe. She manages short term MBA programs and oversees partnership development in North America and Australia. After a Master of Research in International Relations at l'Institut des Sciences Politiques of Paris in 2010; she is now preparing an application for PhD. studies.

“We know today....that ideas not armaments, will shape our last prospects for peace, that the conduct of our foreign policy will advance no faster than the curriculum of our classrooms”
President Johnson, 1966.

A Nyen reading of Management Education

Across the world, seven thousand business schools are spreading the word of Management principles which are undeniably of American origin. Does it mean that all MBA graduates, from Chicago, Paris and New Delhi, compose an international platoon serving the American soft-power? It is a non coercive, silent and almost invisible force to the untrained eye, but managerial Soft Power (SP) influences and shapes business minds pacifically across borders. Its originator, Dr Joseph Nye, former Dean of the Kennedy School, defines it as « *the ability to bring the other to want what you have*» (Nye, 2004). It is based on 3 key elements: 1/Culture (Hollywood and Mc Donald’s), 2/ Foreign Policy and 3/ Public Diplomacy and Education – the latter being the subject of this article.

Today, the United-States remain the world leader in international education: firstly as a host country of the largest number of foreign students, and secondly as “the” model to be duplicated worldwide. We propose a reading of Management Education with the theory of Soft Power (Martin-O’Brien, 2010¹), based on a field research conducted for our Master thesis. We interviewed middle and senior managers from India, enrolled in Management training programs certified by Indian Business Schools in Delhi². They came as a group for a seminar with ESCP Europe, a leading school of management³. Thanks to their perspective, as a third party country

¹ Martin-O’Brien Josiane, « La formation au management de cadres indiens : étude du Soft-Power », Institut d’études politiques de Paris, Mars 2010, supervised by Dr Christophe Jaffrelot.

² One group is from a 2 year full-time Executive MBA at Management Development Institute in Gurgaon; their 7 weeks seminar at ESCP Europe was taught in three campuses: Turin, Paris, Berlin. Another group is from a shorter executive training seminar of two months, on Global Leadership from the International Institute of Management in New Delhi. The seminar with ESCP Europe was 10 days long.

³ ESCP Europe is a French Grande Ecole founded in 1819 The head campus is in Paris with four branches located in London, Berlin, Madrid and Turin;(www.escpeurope.eu).

and an emerging economy, we gained an interesting perspective on management education of American influence. The preliminary results of this small scale research show that the Influence of the American Model of Management principles remains high, both in the syllabuses and in the Enterprises. However, the Attraction is lessening. From the Indian manager's perspective, the American Model of Management seems more tolerated than celebrated – with what maybe a latent seed of a culturally European orientated alternative.

The first part of this article traces the roots of Joseph Nye's conceptualization of Soft Power and discusses the definitions of Power; the second part of this article describes the findings of our research in term of the Attraction /Influence of this American Model of Management (AMM), and its isomorphic qualities, as seen by the filter of Indian Executives.

1. Context for the emergence of Soft Power.

Joseph Nye invented the term in 1991, but the concept came out of a very active intellectual period from the 1970 is when the role of the US State and the scope of its power were being debated and contested. Reminders of the economic, political and internal context will help us understand the emergence of the Soft Power concept.

The period of 1970-80 finds the USA being confronted to an economic crisis, marked by stagflation caused by US protectionist policy and the competition of newly industrialized countries, such as Japan. The Dollar is devaluated for a second time in 1973. President Nixon puts an end to the gold-convertibility of the dollar, thus killing the International Monetary system of Bretton Woods. Next, in 1974, a new cartel of then unknown oil countries (OPEC) decides to quadruple the price of crude oil. The consequences of such non military union are worldwide, with the first oil shock and an economic recession in the USA by 1981. These events were interpreted as signs of a fading US power.

The second weak point was the military force. In 1961 the defeat of the Bay of Pigs in Cuba, was followed by the Vietnam War in 1965 with 200 000 American soldiers. A very active opposition was developing across the USA, which was bringing civil actors to the forefront of military politics. Then, following the Paris peace treaty of 1973 and the evacuation of Vietnam, there is one last humiliating US defeat with the fall of Saigon in 1975. Two additional major

events make the headline news in 1979, which reinforce a declining America: the USSR invades Afghanistan and in Teheran, Iran, American civilians are being held hostages for months.

A third fragility was the internal American policy itself. In August 1974, President Nixon resigns following the Watergate scandal. In 1986, Irangate surfaces with its illegal armament sales, then the CIA are found to be implicated in Chili's politics and will later be recognized as the instigator of Salvador Allende's murder. At the same time, a study of the American school system under Reagan shows a worrisome soaring level of illiteracy among high school students: "*a Scholar unilateral disarmament*⁴" notes Joseph Nye (Nye, 1990: 202). Taken altogether, these events paint the picture of a weak American state whose sovereignty is challenged on all fronts. Yet, the classical American stato-centered model could not explain either the end of the bi-polar world and the peaceful fall of the USSR. Amidst the most realist voices of political scientists singing the traditional stately power, represented by Morgenthau and Kenneth Waltz, others could be heard in the background. They talked about a shift of power, the stronger influence of non state actors and of a different kind of power and influence. A new reality was emerging but not yet formulated.

A few months before the fall of the Berlin Wall in 1989, Paul Kennedy publishes "Birth and decline of great nations" which became the reference for the Declining thesis. Using the cycle of power theory, he notes the decline and predicts the end of the great worldwide American domination. President Clinton in 1993 uses Kennedy's arguments as a basis for his public policy and to prevent the predicted decline of the State. In reaction to Kennedy's book, Joseph Nye writes in 1990 « Bound to lead: The changing nature of the American power » where he argues that the United States of America remains a world power, but in a different and non coercitive way.

However, as early as 1970, Susan Strange considered as the founder of International Political Economy, perceives that the American Power around the world is being expressed in non traditional ways. In her famous book "States and markets" she opposes the declinist's theories. Her perspective stresses the interdependence between economic and political actors: "*we must bring together the two disciplines of economics and International relations to have a heuristic*

⁴ Nye stresses that in spite of a fairly high share of US GDP dedicated to education (6.55%) and a good level of school attendance, only 7% of all students were actually well prepared for joining the University.

perspective". She says that power is exercised through structures rather than direct relations, so looking only at the role of the State is too narrow. One must consider its broader environment with the private enterprises, the international finance actors, the credit system and technology. Since "*Markets have replaced States*" many actors should be more integrated in a stato-centered system⁵. For Strange, a society should guarantee its citizens four fundamental values: Wealth, Security Safety, Freedom, and Justice⁶ (Strange, 1994: 94). She clearly identifies the importance of knowledge power, not as the creation of an epistemic community but as structures which then become ideological agents for the State. Knowledge power is subjective, not quantitative; therefore the control of information system and its distribution are critical for State's power. It is a paradox she notes, that knowledge is a public good, cumulative and communicable and yet it comes from the shared voluntary consent among individuals. The traditional structures of knowledge were the Church (catholic) and the Scientific State. The knowledge structure is fast changing and there is growing competition between States. So, many years before the World Wide Web, Susan Strange predicted that conflicts would no longer be territory based, but knowledge based. Yet, she notes, the structure of knowledge is the least studied; one needs to understand the beliefs of a nation as well as the channels through which they are communicated. For Strange, in 1973, America still remains the greatest Knowledge Power in the world, thanks to its university system, its research centers and the use of English language as the new Lingua Franca. A new paradigm of Power is emerging and Joseph Nye will credit Susan Stange's structural power for the development of his own concept of Soft Power (Nye, 1990, note 10: 30). At the same time another group of researchers, called the Transnationalists, are questioning the dominating realist paradigm and predicting the end of the stato centered society. Their arguments

⁵ As early as 1975 Strange was calling for a deep reform of the state's control over financial structures and warning the US government against the silent and insidious "permeation" of transnational actors into national societies which could destroy the national unity (Strange, 2e ed. 1994 : p 198).

⁶ Depending on the priority given to one of the four values, we have different political systems. Thus the Realist gives high priority to Safety, the Socialist shares equally the values of Justice and Freedom, and for the Liberal, Wealth is the leading value. The power of the state rests in its ability to decide of the allocation of these values. Altogether, political and economic decisions result from human decisions "not divine intervention". The state has three sources of power; Force, Wealth, and Ideas. Susan Strange brings the new concept of "Knowledge Power" which she calls the third level of power - a reminder of Lukes' third dimension of power (Lukes in PRV, 1974).

are three folds: States can and do influence one another, States are structurally and reciprocally sensitive and their main goal is Peace – through economic well being and technological progress.

It is during a conference in 1971 on « Transnational relations and world politics » that Joseph Nye and Robert Kéohane launch a research program to study the impact of transnational relations and economic inter-dependence on the relations of power between states. They study the influence “*of trans-border movements of both tangible and non tangible goods between actors, of which one would not be government or intergovernmental*” (Batistella, 2006: 194). These societal relations are made by fluxes of money and information, transport, and the circulation of people and ideas. Although we find some economic elements similar to Strange’s, the transnationalists are supportive of a free and liberal market economy. They view the role of enterprises and multinationals in conjunction with the State, while Strange calls for a more vigilant control by the State, in particular of the finance and credit sectors. Amongst the transnationalists who contributed to the definition of a multi centered world is Robert Gilpin, and his founding article “The politics of transnational relations” in “Transnational relations and politics” directed by Nye and Kéohane (cf. Batistella 2006:194). Gilpin brings the economic dimension into the realist theory. His argument for political stability is in favor of a uni-polar world, with one hegemonic power setting and controlling all the regulatory norms to its own and to its ally’s advantage. What the concept of Soft Power takes from the transnationalists is the idea of non-state /non-governmental and citizen based actors as essential key players in international relations.

The DNA of Soft- Power:

Power is an essentially contested concept; because of its ambiguity and elusiveness it generates endless disputes about its proper use and meaning (Gallie, 1955:6). When Nye qualifies “Power” with the adjective of “Soft”, a synonym of malleable, pliable, flexible or yielding, it sounds like a contradiction in term. So, he explains: “*Power is also like love, easier to experience than to define or measure, but no less real for that*” (Nye, 2004:1). The most referenced and debated definition of Power is given by Robert Dahl in 1961 in his study of the decision making process in the city of New Haven : “*Power is the ability for “A” to get “B” to do what “B” would not otherwise do*”. So the end seems to justify the means used by “A”, for getting “B” to do what she would not otherwise agree to do. It does not imply from “B”, either her cooperation or her willingness and not even her being conscious of the submissive process. And usually it is the preference of the elite that prevails in the process (Dahl, 1961). In that regard, Nye’s Soft Power

still remains a source of domination. Education is a process of training minds to think and learn to do things in a certain way –a symbolic violence for Bourdieu⁷. Pushed to its limits by totalitarian regimes, education can turn into brain-washing and indoctrination.

The question about the equilibrium of force between A's «ability-means» and B's «willingness-submission», is very much debated and debatable. It would take a whole volume to review the full literature on Power (See Bachrach and Baratz, Shaattschneider, Foucault). We would like to refer to a book published in 1974 by Steven Lukes, «Power a radical view –PRV- » (Lukes, 2nd ed., 2005). He proposes a three dimensional view of Power (2005: 29) suggesting that “*power is at its most effective when least observable*” (p.1). The first-dimensional Power is based on behavior, decision making and observable conflicts. It would be the traditional hard power of military and economic forces. The second-dimensional level includes the non-decision making process with the overt and covert conflict resolution and the taking into account of potential issues. We propose in this dimension that any form of resistance I constitutive of a proof of Power –which, like gravity, is best felt when resisted. The Third dimension of power from Lukes' innovative input, is more about the control of the political agenda, the decision making process and the issue of latent conflicts. Lukes defines it as «*the power to prevent people, to whatever degree, from having grievances by shaping their perceptions, cognitions and preferences in such a way that they accept their role in the existing order of things*» (Lukes, 2010:11). Lukes goes one step further, adding that «*power is a capacity, not the exercise of that capacity*» (Lukes 2010: 12). As such, America was still in 1980 the dominating power of the world.

Another stem-cell of Soft Power is Co-optive power, first introduced by Susan Strange in her concept of structural power. Co-option is defined as the process of admission into a club through exclusiveness and privileges; new members are elected by an assembly of old timers, thus guaranteeing not only tradition but also homogenization and reproduction of ideas and class. New members are being blessed by the guardians of the norms. Strange points out that Co-optive power remains dominating, unilateral, and operative through a force of attraction whilst generating envy and desire. Nye makes use of “cooptive” until he came up with “Soft Power”. Still, he continues to draw on it to define “*this soft power – getting others to want the outcome*

⁷ It can be argued that symbolic violence contributes positively to the learning process and the pedagogy. It forces the student to go into uncomfortable zones and area of the unknown where he would not naturally go, thus going beyond his own frame of reference and expanding of his world.

that you want- co-opts people rather than coerces them" (Nye, 2004:5). However, his use of Co-optive was broader than Strange's structural power, because he made it inclusive of all the elements of international politics. When Strange calls for state regulation and control over economic and financial forces, Nye acknowledges the existence of numerous sources of external influences and forces but, *in fine*, the State remains the central and dominating power.

Finally in 1990 with his book «Bound to lead: the changing nature of American Power» Nye introduces the term and concept of Soft Power. Like Susan Strange he could see the persevering appeal of the USA across the world, in spite of its declining military and economic powers. He wanted to find out what were the elements that create such a magnetic force in the world in favor of the USA. It is not mere influence, which according to Nye can be bought or negotiated with the use of the "stick and the carrot". This Soft Power instead "*relies on the ability to shape the preferences of others*" and by "*reforming the preferences of others to bring them to want what you have*"; Nation states should learn to identify and use it more strategically (Nye, 2004:5). Nye noted it builds on the notion of the second face of power as proposed by Bachrach and Baratz in 1962 (Nye, 2004, Note: 5).

Nye presents three founding pillars; 1/culture, 2/political values and foreign policy and 3/public diplomacy and higher education. The American popular culture is exported through sports, radio and music as well as represented by enterprises such as Mc Donald's, Coca Cola, Pepsi, and Ralph Lauren. The attraction of political values rests on their recognition as legitimate and as carrying moral values. So the foreign policy of the country can then be accepted by other countries as moral authority. America believes in democracy and a free liberal market economy. Twenty years after the fall to the Berlin wall, half the countries in the world live under a democratic system. It proves the good political values and foreign policy of America (Nye, 2004: 11). Nye insists that legitimacy is the only mortar of soft power: attraction and duplication work only if the instigator is recognized and accepted as legitimate.

Public and cultural diplomacy is a key element of Soft Power. Nye defines it as the collection of interactions targeted not only toward foreign governments but also towards other actors like private individuals and non governmental organizations. It is neither propaganda, nor public relations because it aims at developing strong and long standing relationships, with key people, which will favor governmental politics. It is made of daily communication which explain

to foreigners the domestic context and the foreign policy decisions; it is a strategic communication, similar to the kind used for a political campaign (Nye, 2004: 107-109).

How Soft is this Power?

Joseph Nye encourages the USA to make use of its Soft Power but does not reflect on the silent process at work. Behind the forces that contribute to secure peacefully the attraction and the willing compliance to the American model of education and culture, one could see a colonization of consciousness, through the internalization of American values. For Nye, attractiveness of the American way of life is what “*makes the other want what you have*”. It is never presented as hegemonic, or a subjectivization practice. Nye’s clarification of Soft Power is a list of well documented and measurable elements that play a major role in diffusing the American influence across the world. The measure of Influence is proposed thanks to a Pew global survey on “What the world thinks in 2002” about the role and presence of the U.S (Nye: 2004:69). Yet, there is a process at work and a silent and non coercive force behind the spread of this American “attraction” and “influence” of Soft Power.

Other intellectuals have made propositions to explain this kind of silent conquest method. For example, Antonio Gramsci, from the corner of a jail in fascist Italy in 1940 reflected in his “Notebooks” about the notion of ideological hegemony (Gramsci, 1996). This is a highly debated term, yet often associated with the American dominance, which is self-fueled by a Manifest Destiny and a quasi divine mission to save the world. Gramsci wondered how consent (to capitalist exploitation) was secured in democratic conditions. “*It was culture or ideology that constituted the mode of class rule secured by consent, by means of the bourgeoisie’s monopoly over the ideological apparatuses* (in Lukes, 2005: 7). Gramsci’s answer is structuralist: via the control by the bourgeoisie of all the founding organizations of the society, a particular ideology is spread. For Nye “*the proof of power is not with the resources but in changing the attitude of Nations*” (Nye, 1990:115). Thus, domination by “A” is secured by the diffusion of ideas, through established structures as opposed by guns or violent means; to the point that it becomes willfully accepted by the dominated “B”. And Gramsci defines hegemony as “*the ability to gain consent and adherence of the weaker to the ideas of the strongest, in a way that the weaker does not even call-in question the situation*”. We find this to echo Nye’s definition of power as the “*ability to get what you want by attraction rather than coercion or influence?*” (Nye, 2004). We believe that there is an undeniable ideological stake in the use and spread of Soft Power by any nation state.

However, Joseph Nye refutes hegemony by arguing that it has no historical existence – a position contested by Wallerstein⁸. That would imply and require, according to Nye “*total power of the productive, commercial and financial as well as political and military forces*” (Nye, 1990: 39), combined with a deliberate intention of a strategy of domination. Nye however, does not (or wishes not to) discern such elements in the US Soft Power, a mere source of attraction. In his latest book the French journalist, Frederic Martel, deciphers the worldwide power and domination of the Hollywood model in the film industry all the way through emerging countries including Bollywood⁹. Martel shows how this American cultural Soft Power has full control of productive, commercial and financial means.

Charles Tilly, a contemporary American political scientist has also reflected on the process of silent domination. Puzzled by the fact “*if ordinary domination so consistently hurts the well-defined interest of subordinate groups, why do subordinates comply? Why don't they rebel continuously, or at least resist all along the way*” (in Lukes 2005: p 10), Tilly proposes a list of six possible and cumulative answers. First, in fact subordinates are rebelling continuously but in covert way ; or they get something in return so they bear with the situation ; also they may pursue values such as esteem or identity and become involved in the system that exploit them; “*as a result of mystification, repression, or the sheer un-availability of alternative ideological frames, subordinates remain unaware of their true interest*; may be the force and inertia hold the subordinates in place, and last but not least, rebellion is costly and subordinates cannot afford it (in Lukes 2005:10). Thus, for Tilly, domination is non violent, psychological and ideological. It fits with the third dimension of power introduced by Steven Lukes in 1974, “*which prevents people from having grievances by shaping their perceptions and preferences(...)* No view of power can be adequate unless it can offer account for this kind of power” (Lukes 2005: 11). Lukes completes Dahl's definition: “*A exercises power over B, when A affects B in a manner contrary to B's interest*” (Lukes, 2005: 35). Freedom then rests in one's capacity to judge fairly one's best interest to resist a silent third dimensional Soft Power which, by definition aims at getting you to

⁸ Wallerstein qui identifie historiquement trois grands périodes historiques hégémonique : celle de la Hollande (1620/1650), du Royaume Uni (1815/1873) et des USA (1945/1967).

⁹ MARTEL, Frédéric. *Mainstream ; enquête sur cette culture qui plait à tout le monde*. Paris: Flammarion, 2010.

want what the other has through attraction rather than coercion. That is where Bourdieu and Gramsci argue that education is a powerful apparatus that contributes to socialization and a mind-formatting process – dominated by Bourgeois capitalist’s interests. Even if everyone were in a constant silent and soft opposition, as Tilly proposes, may be Soft Power is expanding either because everyone seems to find something for themselves in return, or is unaware or too busy to oppose it actively.

Therefore Nye’s Soft Power remains a major apparatus for the XXI century nation-state, especially as ideas have replaced armaments on a non-territorial battle field. We contend that International Education and management education in particular, have become highly strategic elements of international relations where the economic power is predominantly present.

Our proposed synthetic table of the 3 kinds of powers.

Type of power	Source of power	Means of Power	Result
Hard power	Military/ Economic/ Political	Coercion	Submission
Soft Power	Culture- education / Institutional Diplomacy/ Political	Cooptation-attraction	Imitation
Hegemonic power	Productive/ Financial/ Structural/ Epistemic/ Military/ Political	Identification : Can result from hard and Soft powers	Consent

2. The Soft Power of Management Education.

For Nye, education is the main channel for non Americans to reach and integrate American values, which he defines as «*democracy, equality of chances, social mobility, freedom and open mindedness*» (Nye, 2002). Historically, the idea of education as a tool of public diplomacy and a medium for peace in the world through better understanding of the peoples dates from the euphoric post WWII era of 1945-1970 (Mac Allister-Grande, 2008). The «National Education Act» passed in 1966 under President Johnson is considered as the founding act for International Education. Public and private foundations, such as Woodrow Wilson and Fullbright, Ford and Carnegie, were the first to give bursaries to scholars and students from Europe to go to study in the USA¹⁰. Later during the cold war, education was the new battlefield against communism. Nye reports that in spite of the restrictions, 50 000 soviet Scientists studied in the USA between 1958 and 1988 and thus contributed to the erosion of the USSR (Nye, 2004).

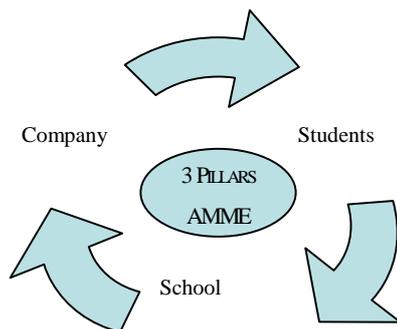
For years, higher education contributed mostly to the training of political elite. However, the growth of economic forces has led to a shift and, with the support of the State, higher education now adds to the constitution of an intermediary space of power in the economic domain (Wagner, 2007). Management principles taught in business schools are of American origins; thus their transmission is not neutral. They contribute to the dissemination of a particular economic model and to an Americanization of the world. Through the experiences of contemporary Indian managers enrolled into an executive education program, we perceive a weakening of the attraction of the American Model of Management Education principles, with a local adaptation and some resistance. A few of the Indian managers predict that over the next fifty years, there will be a strengthening of a perceived European Model of Management as an alternative.

¹⁰ Between 1950 and 1975, Mr. Ford gave \$335 millions to American universities for the internationalization of pedagogical programs, the teaching of foreign languages and for student and faculty mobility

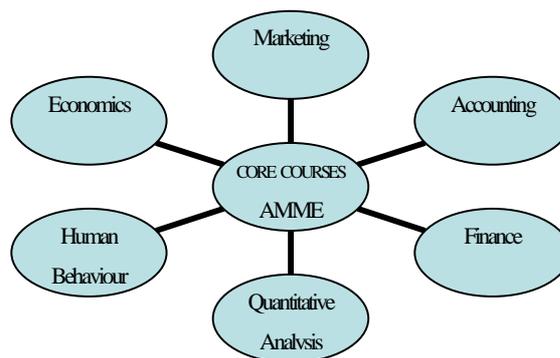
Typology of the American Model of Management Education (AMME):

Across the world, the pedagogy of business schools is based on the American model of business practices, the principles of which were further developed, theorized and spread by American universities. This model rests on a cross inter-action between three pillars: the Enterprise, the Teachings and the School.

Triangular partnership



Core courses and principles



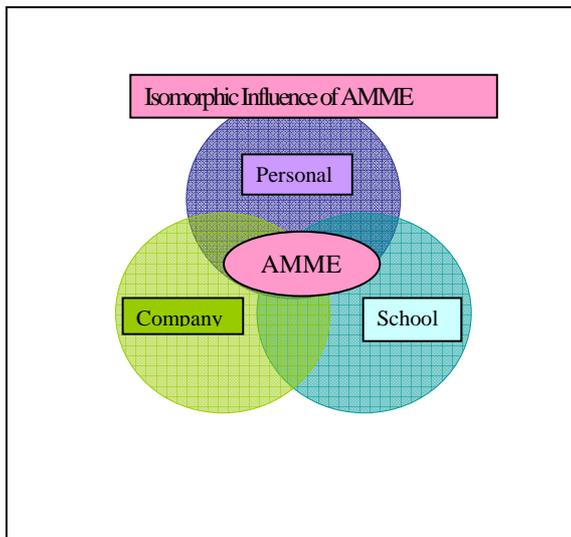
In general, the fulltime faculty of a Business School holds a PhD, and most professors have “real world” experience in the private sector or continue to be fee-paid consultants. Through a cooptation system, expert professors and practicing-managers, most of whom are also alumni from these same business schools, dispense the knowledge and share their experience of Management practices. Such experiential pedagogy is based on case studies and games’ theories involving student group-work, competitions, and company practices. The majority of case studies is published in the USA by Harvard or Stanford Press. The core syllabus around the world covers identical subjects such as the principles of finance, accounting, quantitative analysis, human behavior, marketing and economics. The same class books have been re-edited for the last twenty years and translated into various languages. Such books include Kotler’s “Principles of Marketing” for the 11th edition; or Samuelson’s 19th edition of “The principles of Accounting” which has sold over 4 million copies. The various translations of these books do include local and regional examples but only to exemplify and further validate the implementation of “a” specific theoretical basis –not to propose a local alternative.

About the influence of AMME in India:

Today India has one of the three largest education systems in the world, with nearly 12 million students in higher education and 1.5 million of English speaking Indian students graduate in the field of management (historically influenced by the British model and the London School of Economics). Prime Minister Nehru's government in the 1960s wanted to develop a business elite, and to do so, launched a network of six Indian Institutes of Management (IIM). Highly selective, each one was set up in partnership with a foreign business school. In India today there are over 1000 schools of management of varying quality. In spite of a phenomenal growth of population, only 6% of the 17-23 age brackets attend higher education. The majority studies Art and Literature (40%), then Sciences (20%) and Commerce for 20%. In India, the MBA degree is socially and professionally better recognized than an engineering degree. In 1991, with the opening of India to foreign investors and the privatization of public energy sectors, internationalization came to India, represented by a flock of consultants who were assisting enterprises in acquiring "scientific methods of management". Because of the isomorphic effect, the influence of business education goes beyond the business world, carrying a process of "*Westoxication of the new middle class in India*", to quote the Indian sociologist Dipankar Gupta (Gupta, 2000).

Our study, based on individual semi-directive interviews and small focus groups drew information about the level of attraction and influence of this AMME in three domains of these manager's lives¹¹. First the private circle illustrates the western influence, second their work environment shows the application of the principles taught in the Business School and third the classroom in India reflects the curriculum. As they were interviewed during their seminar in Turin, Paris and Berlin, these managers gave comparative answers between what they experienced and saw in Europe and their Indian-based life.

¹¹ Field work carried out over a 10 months period with Indian managers : 22 Individual interviews and 2 separate group interviews (group A of 27 Indian manager ,and group B of 15) Each group, A and B, was subdivided into small groups for an interview of 6 focus groups.



3. Lessons from the field

* Indian Executives' Profiles:

Even though each participant is a unique person, there are some common traits between all these Indian executives. As a social group, the managers in our study belong to this privileged group labeled by Gupta Dipankar as “WOP” (westernized oriental person). He argues that this middle class aspires only to the life style of the west and its symbols, but not to its true founding principles which are freedom and equality. This privileged group estimated broadly between 100 to 250 million of people may be, in fact, perpetuating a system in its favor thus blocking real change. The largest democracy in the world still remains one of the poorest. The Indian managers in our study generally graduated between the years of 1980 and 1990 and in the wake of the democratization and the reform of higher education started under Nehru in 1970. All are engineers: chemical, mechanical, electrical, geophysics and one third had some training in management prior to this seminar. They joined their companies after graduation and have moved up the hierarchical ladder. Two thirds have already traveled outside India for their work: Canada, USA, Africa and Russia -as a reminder of the non alignment of India during the cold war they say: “*Russia is our friend*”¹².”

¹² Quotes from the interviews are indicated as such and in italic, with no grammatical correction.

On the personal side, these managers had a marriage that was arranged by their respective families, and now have two children - a boy and a girl. In India they live in “colonies”, these company-built towns with all comforts, such as internet and cable connection, a gym, doctors, a hospital and schools for the children. All men in our seminar in Europe were dressed in western clothing- no Sikhs in the group. The few wives, who accompanied their husbands for this European seminar in 2009, had the red ‘sindor’ on the forehead. They dressed in the practical ‘Salwar Kamee’, a traditional tunic-over-pants suit and showed little jewelry other than their wedding necklace -perhaps because they were traveling? Most men are Hindu, vegetarian, and wear large rings with colorful precious or semi-precious stones. These are set in a fashion so they touch the skin to transmit the stone’s positive energy. Each ring is worn for a specific period of their adulthood in accordance with their life horoscopes. They own the latest computer and listen to non-traditional music in their MP3. Clearly our managers are between the world of tradition and westernization... and they juggle.

*** The attraction /repulsion of America:**

The attraction of the US was manifest since a long time ago; after graduating as engineers, one in five of our managers wished to go to the USA for an MBA, but difficulties with visa applications or lack of financing made it impossible. So twenty years later, studying for an MBA is ‘*a dream come true*’ for a few participants. More than any other destination, America means money and a good career. This is true for most of the 1.9 million Indians living in the USA where they form a model community; particularly well educated and better integrated than other minority groups. Indians people living in the USA, contribute immensely to research and innovation: 13.7% of US patents are authored or co- authored by Indian students (Martin O’Brien, 2010: 59). Moreover many entrepreneurs of Silicon’s Valley’s start-ups are of Indian origins. That is part of the American magnetism. However our respondent managers also mention the solitude and loneliness of many American people, who have no close family links and eventually come to India for spiritual retreats in search of meaning. Their attraction to America does not pass with time and these managers remain aware of the job opportunities, and some of their friends in the private sector – mostly computer specialist- did make the move to migrate to the US before the year 2000, which was expected to start a major bug in our computers.

The Soft Power of the MBA degree means they will become more respected and envied in their private and professional lives, “*we will be given privileges over other candidates*” for

internal advancement, even though no clear career plan is guaranteed. The MBA “*is required*”, “*career is not complete without an MBA*”. They sense that they are joining a legion of a worldly sub-culture of Executive MBA graduates: one said that “*MBA is like a ritual*”, a rite of passage.

Yet the interviewed Indian managers show signs of resistance to this American Model of Management Education. Management principles taught in the classroom are not “cut-and-paste” into their companies; there is an adaptation. Resistance is sometimes considered as a necessary proof of Power. The type we see from the Indian managers takes many forms: 1/ Passivity, as the administrative and bureaucratic system slow down any implementation process. The more senior managers view this as a safety-net ; 2/ Denial can be seen as a form of silent resistance for some executives; acting as if there is no AMME influence “ *there is no US model of management*” “ *US will shrink*” ; 3/ Observation of the situation for a better evaluation “*we need to benchmark and stay global, but we do not need an American or European CEO* ”; 4/ Adaptation-integration of the American model of management “*We celebrate Mother’s Day and Christmas; culture does not weaken, it gets imbedded; you should look at one with the other, not(one) against the other*”; 5/Refusal of the model altogether “*a good company cannot be only for making profit*”. The ideological footprint of Soft Power is silent: «*the proof of power is not in the resources but in the change of attitudes of the nations*» (Nye, 1990:115). In India the change of attitude is happening through the liberal economic model that is being applied discriminately by the large public companies competing internationally. These companies sponsor their managers to attend these executive education programs in order to master these management principles...

When asked as a group, whether they sense some of the influence of American principles in the management of their enterprises, there was a heated debate amongst the Indian managers... As an executive said “*the technological phase in India is over, and it is now in the phase of management*”. The big change came with the opening of India to foreign investors in 1991. Most public companies were harshly hurt: thousands of jobs were made redundant, recruiting was frozen for many years, foreign consultants came by the dozen to assist with the transition and thus internationalization came to India. Some managers saw this as a positive constraint to become more efficient. Others in the group could not see any influence of American principles in the management of their enterprises. Whether this is the reality or non-perception or denial of a silent domination remains to be further investigated. However, the standards of accounting and finance applied in their companies are clearly influenced by the American Management Model (AMM) ,

since they try to attract foreign investors. Yet for the everyday application of Management principles in human resources, marketing, work organization, team projects, the AMM is perceived as not being very influential: *“We do not need best practices, we adapt”* and Indian companies are said to have their own management model. All managers agree that American Management Model principles have to be locally adapted *“there is a global model; in management each country has to have its own model. We do not agree that you have to transplant the economic model from the USA”*. One unique characteristic of the Indian CEO is that internationalization has to go hand in hand with local and national politics and social stability (Ruet, Ch II: 125-142 in Jaffrelot, 2006). The local environment is overwhelming and while Indian companies are very innovative, their management remains specific to their local constraints. Thus the principles from the classroom are not transplanted as such in the office...

Within the classroom, the Indian managers face a domination of the American Model of Management Education whereas they see classes in France and India as identical. *“We found no difference in this class, the content and how it was taught was the same. The content was EU orientated but we are not aware for the European teaching”*. To clarify further, one focus group said *“we had no “Wow!!” experience when the professor was teaching”*. *“It is all the same books, syllabus, and style of professors. They recognize that “knowledge creation is American- even cases about India are written in the USA”* and thus explain its domination. They say American companies are more transparent and seem more open and willing to become case studies; they hypothesized that it is part of self-promotion and marketing. Also they note that American companies are influential with Management school through funding and research financing which may influence the content of the classes. As for Management education, it is clearly of American influence. *“India is shifting to the US system of education”* after years of British influence. One respondent was indignant *“Unlike Japan or Germany which have preserved their models, we have never been educated by Indian principles; it is all English. We do not learn Hindi; I know nothing of ayurvedic tradition”*. For education, Europe is really not in their minds- other than the UK. The groups would have welcomed a seminar in the US as well: *“USA is a necessity.”* These Indian managers are stressing the excellence of their studies in India – which can open the doors to US universities. Some Indian professors and Deans are even saying the IIM are so excellent and well reputed in the world that they do not need any international accreditations to be attributed to their management schools (such as AACSB or Equis) to attest of their quality.

Is there a declining attraction of the US Model?

Even though the power of attraction of the American Model of Management remains strong for foreign students who chose the USA as their number one destination in the world, and Business as the number three field of studies, there are signs of fading attraction, noticeably since 9/11. Looking at Indian students' mobility in particular over the last 5 years, their number in the USA has remained stable at around 100 000 Indian students, composing still the largest cohort of foreign students. However the overall number of young Indians leaving home to study abroad has increased threefold in ten years. Their new destinations are Australia, England, Asia and the European Union – France for example had a 70% increase of its foreign student population in the last 5 years (Campus France Agency). Because of post 2001 “war on terror”, “*USA is not a favored destination today*” say our Indian managers panel, and predict “*USA will shrink*”, adding they do not envy what they see of the loneliness and isolation of American people - who are coming to India to find meaning in their lives. The financial crisis of 2008 hurt further the attractive magnetism of the USA: “*the economic down fall, (...) is like the emperor has no clothes*”, “*There is a sense there are other places out there*” as options.

Is Europe becoming as a potential option, a substitute? For most of the interviewed Indian executives, “*Europe means UK*”. In our study 1/3 of Indian managers worked with European companies and gave a rather positive photograph of European characteristics. For example, the EU model shows more solidarity, the place and role of family seem as important as in India; the economic importance of the public sector; the attractive role of health care and education systems. The conception of time is also compatibly elastic, along with the capacity for long term planning of projects over 25 years. Both France and India share the ability to find fast solutions to unexpected problems, negotiating quickly to adapt; the French “system D” has its Indian equivalent, the “Jugaad”. The enterprises are seen as financially solid, honest and liable – contrary to the US - and they see as positive the functioning of a well managed Public service. Europeans they say are disciplined and adaptable, man is not considered like a machine, there is humanism in management. Europe is a functioning system with good infrastructures, there is no corruption and high political stability with a foreign policy independent from the USA. Like India, Europe is composed by many regional and cultural identities but unlike India the national belonging prevails in the EU, “*a French (person) is French then European*”. Some (1/5) participants projected that “*the twenty first century will be European*”.

Mark Leonard, British citizen and Director of the Foreign Policy at the Center for European Reform, advances the same hypothesis. In his book “Why Europe will run the 21st century” he argues that EU’s paradoxical strength is being “*a sovereignty of nothing*”. (Leonard, 2008: 19) Joseph Nye says that in terms of deploying Soft Power resources, Europe is the only serious competitor to the USA.

These managers also remind us that “*There are European elements perhaps, but you are competing with the US*”. This is coherent with the centre/periphery theory proposed by Altbach who argues that the American Model of Education is dominant with some emerging regional adaptations –Asia, Australia (Altbach, June 2009). Yet they are not strong enough to override the American supremacy, thus the soft power of the AMME remains dominant and expansionist, with a growing network of 7000 Business schools worldwide.

Proposed summary for our findings on the American Model of Management Education

AMM in Private sphere :	High Influence – Lessening Attraction
AMM in Enterprise Sphere :	High Influence - Low Attraction Low applicability and some signs of resistance?
AMM in School Sphere :	High Influence- Lessening Attraction

One consequence of this domination of AMME is a new bipolarity between the Knowledge producer countries and the Knowledge users. Our preliminary research shows a dialectical tension between the European and the American models. In all three fields - private, enterprise, school- the dominant Influence is American (seen by the content and application of management principles), but the Attraction is European, because of the values it exemplifies.

If indeed, the American influence is becoming more of an obligation than a (perceived) choice then its supremacy may be questioned and openly contested. Europe may become an alternative model -in the next fifty years: even Soft, Power is about domination and sovereignty.

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AACSB : Association to Advance Collegiate Schools of Business : [www. aacsb .org](http://www.aacsb.org)

Campus France Agency ; [www. campusfrance.fr](http://www.campusfrance.fr) (Promoting French Higher education)

CIES : Council for the International Exchange of Scholars : <http://www.cies.org/>

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