
Book Review

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**The Silk Road Rediscovered: How Indian and Chinese Companies Are
Becoming Globally Stronger by Winning in Each Other's Markets**

by: Anil K. Gupta, Girija Pande and Haiyan Wang

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The central point of *The Silk Road Rediscovered: How Indian and Chinese Companies Are Becoming Globally Stronger by Winning in Each Other's Markets* is to present the differences between China and India as opportunities to work together rather than potential sources of rivalry. The book has a critical flavour, which stems from the authors' belief that China and India must support one another to achieve economic growth through cooperation. For the authors, commerce and joint investment, along with bilateral cooperation, are the strategies that will lead China and India to economic success. The book, as we will see, presents examples of Chinese and Indian multinationals that share some type of relationship with the other country. It thus enables the reader to understand the past and present-day story of these two countries.

The authors of the book are Anil K. Gupta, Girija Pande, and Haiyan Wang. Anil K. Gupta is the Michael Dingman Chair in Global Strategy and Entrepreneurship at the Smith School of Business, University of Maryland at College Park. He is the chief advisor to the China India Institute, a research and consulting organisation based in Washington DC focused on creating effective global strategies based around China and India's economic transformation. Many regard him as one of the world's foremost experts on strategy and globalisation. Girija Pande is a renowned business professional in Asia. Pande has served as chairman of Tata Consultancy Services (TCS), and has had management oversight over TCS business in 13 Asia Pacific countries. He was a member of the Singapore Infocomm Development Authority's Manpower Council, and is part of Singapore Management University's Advisory Board. Haiyan Wang is managing partner of the China India Institute. She is also an Adjunct Professor of Strategy at INSEAD.

The Silk Road Rediscovered: How Indian and Chinese Companies Are Becoming Globally Stronger by Winning in Each Other's Markets opens by presenting the cultural, intellectual and economic history between India and China, and then turns to a discussion on the economic links between these two countries. Knowledge of the history shared between these countries provides a better understanding of their economic relationships today. For instance, the authors explain how geopolitical tensions between the two

countries were calmed by a visit from the Indian Prime Minister to China in 1988, an event that had not occurred since 1954. Although their problems persist today, the leaders of both countries advocate peace as an essential way of achieving economic development. The authors of this book explain problems in relations between the two countries through a series of items derived from analysis and interviews conducted for the purposes of their research. India and China are the two countries that have experienced the strongest growth since 2000. In recent years, though, this growth has not been so high. The authors explain the reasons for this slowdown in growth for both nations, stressing the economic differences between the two countries. Specifically, inequalities in export trade activity – to India’s detriment – between the two countries have contributed to the problems faced today. The authors argue, however, that this situation could improve, and that Indian firms could successfully enter the Chinese market via FDI.

Following this initial review of the history of China and India, the authors use examples to describe the opportunities and challenges, but also the advantages, of investing in these two countries, as well as the needs facing firms that enter these markets.

Chapter 2 focuses on the opportunities and challenges of the new phase the Chinese economy has just entered, to analyse what business must do to succeed in this country. To do so, the authors describe current business opportunities in China, citing the following:

- 1 Business to business or B2B (i.e., electronic commerce transactions), particularly in the services sector.
- 2 Automation, a consequence of the current trend of the Chinese people and economy.
- 3 Energy efficiency firms, given that China consumes more energy than it produces. This problem presents an opportunity to any firm capable of strengthening the energy issue.
- 4 Pollution control (both air and water).
- 5 Farming and the lack of water, especially drinking water.
- 6 Luxury tourism products, since the Chinese people are now able to cover their basic needs and are beginning to seek higher-quality, more expensive products or services.

As regards challenges to the Chinese economy, the authors emphasise the importance of gaining an understanding of the scenario that Indian firms (or firms from any other nation) find themselves facing when they wish to enter the Chinese market. These challenges can be separated into cultural, political, and economic challenges. In particular, among the cultural and political challenges facing Indian firms lie differences in values and mentality between people from the two countries and the strong role of the government in Chinese commerce. If an Indian multinational wishes to enter the Chinese market, it may also encounter economic challenges such as fast-paced change or ‘brutal competition’, to quote the authors.

The Silk Road Rediscovered: How Indian and Chinese Companies Are Becoming Globally Stronger by Winning in Each Other’s Markets continues with the third chapter, focusing on the advantages of economic investment in China from Indian sources. To do so, the authors base their discussion on the case of TCS. TCS is the largest IT services company in India, and has therefore become something of an emblem for the nation.

Thus, although at first some businesses turned to India to obtain these services at a low price, they have decided to maintain a long-term working relationship because of the quality they offer. The authors allocate a large portion of this chapter to presenting a lengthy description of TCS. It is therefore possible to better understand how TCS entered the Chinese market, and which strategies the firm has used to succeed in this country. Chapter 4 presents the story of Mahindra Tractors and explains how it has made China its second home. The firm entered the Chinese market with a small share in a joint venture, but, over time, its strategy has evolved to the point where it has now filled a large niche in China's economy. In Chapter 5, the authors present the advantages of associating with Chinese institutions. The firm used to exemplify this is NIIT Group, through its two subdivisions: NIIT Limited and NIIT Technologies. The authors begin by describing the outstanding characteristics of this business group, and end by explaining how it has managed to make highly fruitful associations with different governmental, university, and private institutions.

Next, Chapter 6 describes the possibility of indirectly entering the Chinese market from India, using the example of Tata Motors and Jaguar Land Rover. To provide us with some background, the authors start by citing numerous real-life examples of how mergers and acquisitions from the globalisation era have helped overcome barriers to entry in new countries. Tata Motors bought Jaguar Land Rover in 2008, and is currently the leading manufacturer of commercial vehicles in India. The history of this company in China can be traced from the moment when Ford imported Land Rover to China, through the moment when Tata Motors subsequently bought Jaguar Land Rover (2008), until the present day, with JLR beginning national production via a joint venture (2012). Chapter 7 addresses Chinese firms' commitment to act professionally in India. To do so, the authors evaluate the different investments (through FDI) that Chinese firms have made in India. Chinese companies with commercial activities in India with the highest volume sales, production, and R&D belong to the energy, steel, telecommunications, and construction sectors. For each sector, the authors highlight practical examples of the creation and development of business activities that have been carried out in India (Shanghai Electric, Xindia Steels, Huawei, Lenovo, Haier Group, etc.). In conclusion, the authors state the keys to success of Chinese firms when establishing themselves in India: making long-term provisions, deploying a global business strategy, being cautious when entering India via a joint venture, committing to the country, being aware of the fierce competition, and learning quickly. These keys, as the authors stress, are valid for both Chinese firms expanding to India and Indian firms entering the Chinese market.

Finally, it is interesting how Gupta, Pande, and Wang conclude their book, drafting a road map of how the commercial relationship between India and China will look in the not so distant future. Thus, in summary and in keeping with the above review, they highlight the different policies, relations, agreements, and so on that should be undertaken so that commercial relations between companies from one country and another are fruitful and successful. To do so, the authors base their work on their own experience, and, using examples of firms in which they have held prestigious positions, they explain how to achieve this objective.

The Silk Road Rediscovered: How Indian and Chinese Companies Are Becoming Globally Stronger by Winning in Each Other's Markets is the first book to focus on the growing business links between these two countries. The authors do so by adopting a practical stance, which allows readers greater understanding and enables the adoption of measures for those who find themselves in a similar situation.