

# Modernization and the Crisis of Legitimacy in Pre-Revolution Libya

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## DEFINITIONS

"Modernization" has been a prominent theme in comparative politics and the literature on political development. We are interested in what stands behind that label and propose to do this by looking at selected list of available definitions:

Modernization involves the diffusion of what one expert calls the "world culture" — based on advanced technology and the spirit of science, on a rational view of life, a secular approach to social relations, and, above all else, on the acceptance in the political realm of the belief that the prime unit of the politics should be the nationstate.<sup>1</sup>

Modernization requires a thorough going transformation, of the politics as well as society . . . It involves the transformation of all system by which man organizes his society — the political, social, intellectual, religious, and psychological systems.<sup>2</sup>

and finally,

Modernization . . . denotes "rapidly widening control over nature through closer cooperation among men" and implies changes in man's attitude toward his material environment, toward his fellow man, and toward time itself.<sup>3</sup>

For most observers, modernization means profound change in social, economic, and political relations among the members of a society as a consequence of an historical phenomenon with universal relevance, namely the onslaught of "the age of reason, science, and secularism" to displace traditional socie-

ty. It is commonly seen as a particular kind of thorough-going change involving both man and his society in all phases of interaction. The starting point for the analysis of this phenomenon is typically the conceptual dichotomy between modernity and tradition, with modernization or development conceived as "the passing of traditional society"<sup>4</sup> and the emergence of a modern, industrial society in its place. It is thus viewed as a transitional process with an already known, pre-determined end state or resultant condition as its goal.

## Characteristics of Modernization

What, if any, agreement on the nature of the process exists among the various definitions of the term "modernization" in contemporary social science literature? According to Samuel P. Huntington, who surveyed much of the relevant literature<sup>5</sup>, nine characteristics of the modernization process stand out. Thus it is generally found to be 1) *revolutionary* in that it involves a radical and total change in the pattern of human life; 2) *complex* in that its multiple component change processes — urbanization, industrialization, social mobilization, structural differentiation, etc. — cannot be reduced to a single simple dimension; 3) *systemic* in that changes in one factor are related to and affect changes in the other factor; 4) *global* in that it must be considered a world-wide phenomenon; 5) *lengthy* in that it requires a great amount of time to be felt in all its consequences; 6) *phased* in that it is possible to distinguish different levels or phases of modernization through which all societies will eventually move; 7) *homogenizing* in that it ultimately makes societies and states become more alike; 8) *irreversible* in that, despite potential

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**Centralization of staff and experts:** The centralization of staff and experts at the headquarter enables the corporation to centralize marketing activities, reduce problems of coordination and control, and consequently increase performance. Staff performs many activities such as the systematic analysis and comparison of marketing programs in different markets, the transfer of programs components from one market to another and efforts toward marketing integration. Staff perform an important role toward coordination and integration of the centralized marketing activities in the international company.

#### Fifth: *Selecting the Workable Approach:*

Finally I like to mention that selecting either approach (centralization or decentralization) is a matter of consideration which depends on the environment of the company (Its core technology and infrastructure), external environment (social, cultural, technological, political, legal, and economic condition), the degree of diversification and integration, and finally the interaction between the internal and external environment.

The real concern of a company should be the development of an organizational approach of global marketing that fits its conditions and characteristics achieving a centralized, or decentralized approach or even a proper balance which combine the two approaches.

### CONCLUSION

This model presents three approaches for organizing global marketing. The organization may follow either the decentralization or centralization approaches, according to different factors that impose either one. The model further suggests a third approach, namely "the balanced approach", that can be utilized for organizing global marketing.

Each approach may be accompanied by several problems. The most important contribution in this model is to present ways that can be utilized to minimize the deficiencies and maximize the benefits of each approach. Some of the methods suggested to overcome the deficiencies and increase the benefits of the decentralized approach are: meetings, interdivisional committees, task teams, written communications, and headquarter sup-

port. While some of the ways suggested to overcome the deficiencies and increase the benefits of the centralized approach are: excessive use of staff and experts at headquarters.

Finally, it is important to assure that selecting a certain approach is a matter of consideration that depends upon several factors, and the real concern of a company should be for the development of an effective approach that fits its particular circumstances and suits its ability in concern with maximizing the advantages and minimizing the deficiencies of the selected approach.

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ports which are usually made by the parent company. The management of production operations are usually delegated to subsidiaries and local managers.

D. **Channel of distribution:-** It is highly recommended that channel of distribution must be selected by subsidiaries and decisions on distribution has to be processed locally by branches according to the environmental studies that has to be made locally to select the best channel of distribution for each subsidiary.

#### *Problems of Coordination and Control:*

The decentralization approach often increases performance of global marketing, but on the other hand it may create problems of coordination, evaluation, and control of subsidiaries marketing decisions. These problems may have an impact on performance. To reduce these problems and maximize performance, there are some methods that can be utilized:

A. **Meetings:** It can be a good method to coordinate, solve problems, exchange managerial knowledge, experience and techniques that may be useful in developing weak performance of some divisions. "A successful techniques in developing Asian market may well be useful in a developing African or Latin American one. Further, marketers involved with government agencies in Eastern Europe may be able to help executives currently trying to deal with Middle Eastern governments or with the people's republic of China"<sup>18</sup> Moreover meetings enables head quarters to meet with local managers. It also leads to the formation of working groups and cooperative efforts for specific purpose.

B. **Interdivisional committee:** It is a useful tool for coordinating world wide marketing efforts. "Its main purpose is to spot and develop ways the operating divisions can help one another".<sup>19</sup> The committee also may plan interdivisional projects.

In some companies committee have members based in many countries and formal meetings occur regularly. The constant communication among members of various committees enable them to exchange information of useful use to different division.

C. **Task teams:** Informal task teams is necessary to overcome the drawbacks of

functional organization. Task teams is responsible for planning as well as implementation. It is important to handle various one time problems or situations.

Ideally a task force operates with a minimum of administrative trappings, and once it is organized, it may have few, if any, formal meetings. Individual members assigned their tasks independently, meetings with others are necessary. The most common reason for establishing a marketing task team seems to be new product introduction, but it can get into other matters as well.

D. **Written communications:** Formal reports and internally published materials are the most important sorts of written communication control. Most companies have some system of regular reporting from the subsidiaries on marketing programs and performance.

E. **Headquarter support:** It is useful to integrate multinational marketing efforts. Headquarter may provide counsel to many marketing division in different countries. It may help local managers with specific marketing problems. Headquarter support to many marketing operations in different countries solve a lot of problems and creates a certain degree of uniformity and consistency.

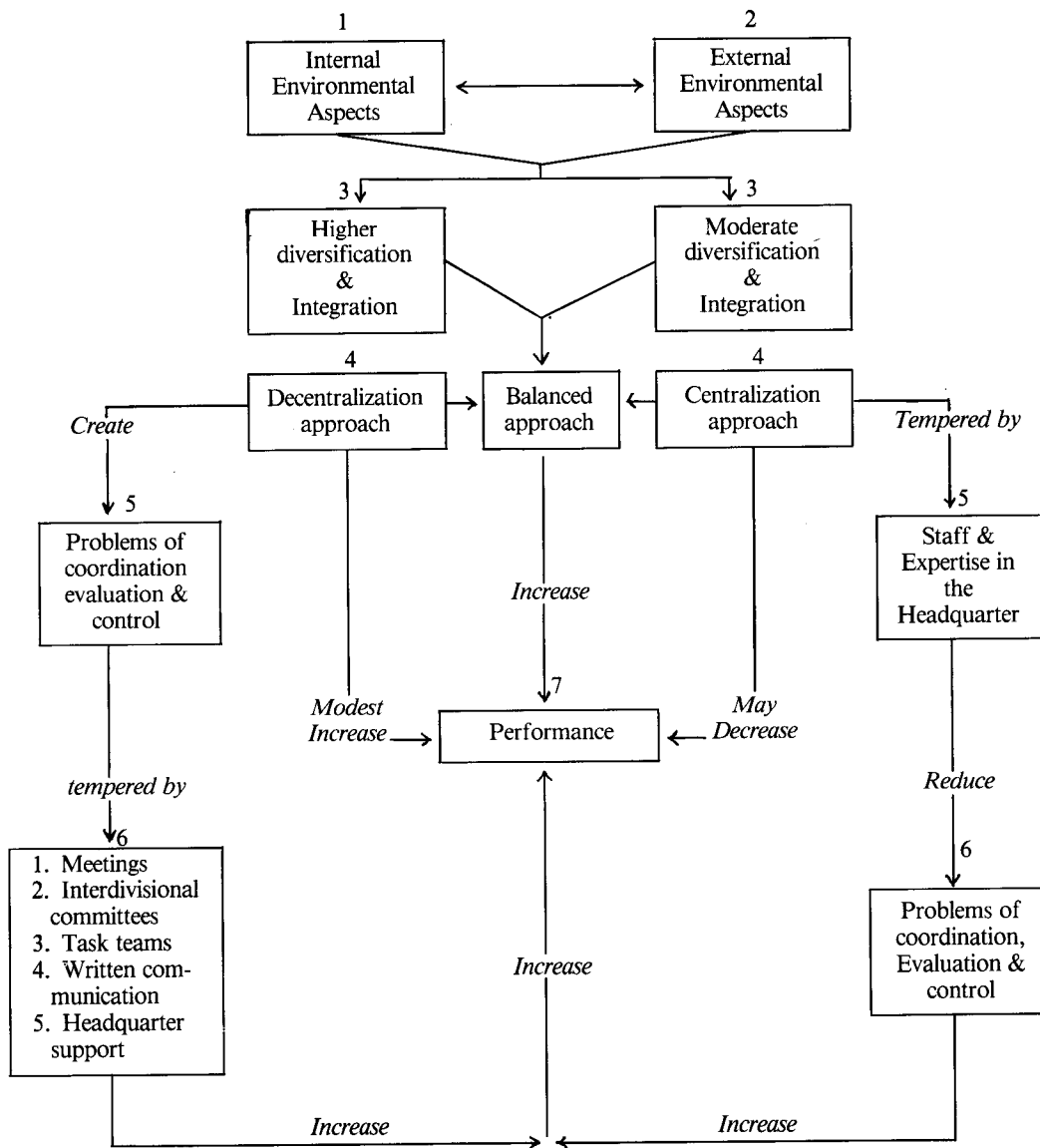
The headquarter may develop marketing service department which perform the following: market research, advertising research, market and sales analysis, packaging services, and sales promotion.

#### *Fourth: Centralization Approach:*

The centralization approach often minimize benefits of global marketing, except in some situations in which centralization in marketing increase performance due to the reduce of coordination and control problems and due to the headquarter. Another important reason of centralization of marketing operations is the poor performance overseas, or even adequate performance which is perceived to be below potential.

To maximize the benefits of centralization and to increase performance, it is suggested that the corporation has to rely more on the excessive use of staff and experts at the headquarter. Centralization is not necessarily synonymous with standardization of marketing programs.

Figure 1 - THE MODEL



factor contributing to both diversification and integration problems. The complexities of these problems are immeasurably increased for corporations operating in multinational environments.

Environmental aspects has many dimensions: social, cultural, legal, political, economic, and technological aspects. These aspects has a pervasive and changing influence on each international market. International marketers must recognize the influence of foreign environment and must be prepared to either respond to it or change it.

#### Second: *Diversification & Integration:*

A wheel of opportunity is a way depicting the interface between company's presents operations and the rest of the world through diversification and integration.

There are usually two main ways of growth diversification and integration (Horizontal, and vertical integration).

Horizontal or market integration is the integration of similar companies producing similar products at the same stage of manufacture and distribution.

Vertical integration is the integration of companies in the same product line and includes integration from material supply and manufacturing, to distribution and ultimate sale to consumers.

There are two ways of diversification: concentric and conglomerate. In concentric the diversified companies have a common thread of interest. In conglomerate diversification, companies producing unrelated product lines merge together.

In order to achieve the desired synergism of diversification and integration required to cope with the international environment, it is suggested that two alternative ways can be utilized: the first approach is decentralized organization and centralized control. In this approach there are decentralization of operations but centralization of control, therefore, we have to adapt with problems of coordination and control. The second approach is centralized organization and centralized control. Since organization is a function of environment, we have to adapt the first approach except in some circumstances in which the second approach may be adapted as will be indicated.

"Generally speaking organizations that have a single or a few related product lines and a high degree of vertical integration tend to be capital intensive, and to be organized in a centralized, functionally departmentalized structure. Organization that have a diversified product line tend to have a decentralized, divisional structure."<sup>17</sup>

#### Third: *Decentralization Approach:*

There are two kinds of decentralization in marketing: decentralization of operations or activities and decentralization of control. Most firms that are active internationally are decentralized from an operational standpoint, in the sense that effective selling demands that the marketing function be highly decentralized. On the other hand firms are not decentralized from the control point of view.

Concerning operating marketing, by its nature, is one of the most localized business functions in a multinational corporation. But some centralization of control is necessary to ensure that the goals and objectives of the corporation are understood and accepted by the international marketing divisions, that there is some degree of consistency in the approaches taken to meet the goals and that unnecessary duplication of effort is avoided.

#### *Decentralizing of marketing functions:*

Although there is a trend toward greater head office coordination of marketing planning, the following is recommended for operational and functional activities of marketing divisions:

A Promotion and advertising function:- It is strongly recommended that the multinational company must follow decentralized promotion and advertising operation to cope with the international environment, including the design of advertising copy, the selection of the best media mix and the local advertising agency.

B Pricing function:- Decisions on pricing are usually made by subsidiaries. The head quarter must adapt a pricing formula that consider the impact of cultural and environmental conditions.

C Production function:- The production function is generally decentralized, with the exception of product specification and im-

Decentralization is a matter of degree. It varies with functional areas and with countries. "Sim in his analysis of the empirical data has suggested that the hypothesis that decentralization varies with functional areas could be accepted. Decentralization was found to be the highest in marketing, personnel and organization and production and least in finance, ownership and R & D".<sup>10</sup>

"With the exception of product specifications and imports, the production function was generally decentralized. Marketing tended to be a decentralized function, although there was a trend towards greater head office coordination of marketing planning. Decision on promotion, pricing and distribution were made by the subsidiaries, and frequently delegated down the line in the subsidiaries. However, decisions on new product introduction and exports were reserved for the head office".<sup>11</sup>

Decentralization varies between countries. In the U.S., the affiliates marketing activities and decisions are closely guided and controlled out of head quarters while Japanese firms are very centrally oriented.<sup>12</sup>

"The empirical evidence indicates that decentralization was greatest in American subsidiaries, followed by British and then Japanese subsidiaries. Difference in decentralization (based on the decentralization index) were significant between Japanese and both American and British subsidiaries".<sup>13</sup>

Empirically there have been a positive relationship between decentralization and performance,<sup>14</sup> except in exceptional cases that proved a poor performance overseas or even adequate performance in these exceptional cases, centralization is supported.<sup>15</sup>

## 2. PROPOSED MODEL

This model indicates the centralization versus decentralization aspects in organizing international marketing.

The model is indicated as following:

*First:* Environmental aspects has an impact on marketing activities which requires a diversification rather than standardization in global marketing functions such as production, promotion and advertising, pricing, and channel of distribution.

*Second:* The organization may follow decentralization or centralization or balanced

approach according to different factors that impose either method.

*Third:* The decentralization approach often increases performance of marketing activities, but on the other hand it may create problems of coordination, evaluation and control of subsidiaries marketing division. To reduce these problems and increase performance, there are many ways that can be utilized to maximize the benefits of decentralization approach in organizing global marketing and increase performance of marketing division. Some of these methods are meetings, standing committees, task forces, written communications, and transferring marketing personnel.

*Fourth:* The centralization approach often reduce performance and minimize the benefits of global marketing except in some situations in which centralization in marketing increase performance. One reason for centralization is to reduce problems of coordination, evaluation and control. Another reason in poor performance overseas, or even adequate performance which corporate management perceives as below potential. "An example: A leading US-based manufacturer expanded internationally primarily through acquisition of local firms. After a period in which the subsidiaries obtained responsibility for marketing management and decision making, the company decided that profitability could be heightened by more cohesion among the international operations and between the domestic and international sides of the business. Corporate management then assumed responsibility for strategic planning, and regional offices were assigned to manage and coordinate marketing activities abroad. After several years under the new system, the general assessment within the firm is that greater centralization at the corporate and regional levels has meant a loss of autonomy at the operating level, but that most subsidiaries are satisfied with the clearer sense of direction they have received".<sup>16</sup> The existence of a staff of international marketing specialists at the home office is another force for centralization. Let us now analyse this model in details:

*First: Environmental Aspects:*

Environmental demands are the prime