Arguments for and against joint ventures range to extremes which are virtually ideological in their intensity of cathexis and lack of factual supporting evidence. On the one hand, there is the simpliste school for which any potential interference with absolute freedom to conduct a multinational enterprise is abhorrent and must at any cost be avoided. On the other hand, there are the philanthropists or developmental idealists for whom the sheer beauty of the concept of international cooperation appears at times to be a sufficient end in itself.

There is, of course, a third school—the strategic pragmatists—for whom this book is written. For this group, ownership is merely one dimension in the appraisal matrix of the international investor; it is not a sacred artifact. If the market is worth penetrating or developing, if the location of operations is significant to international integration, if the level of return to the investor is right, then “one must be there,” and structure is strictly a subsidiary issue, in which case, analysis of tactical possibilities for exploiting an opportunity should presumably include joint operations as one of a number of structural alternatives. This in turn implies that, without necessarily joining the second school mentioned, joint ventures should be considered for overseas operations in any case. The argument becomes stronger in practice, though no more significant in terms of overall strategic concepts, if such ventures are formally prescribed by host authorities.

In order to get away from subjective or quasi-ideological bases for consideration, it seems desirable to analyze in detail some of the measurable dimensions in the joint venture process. It is patently untrue that “if you can’t measure something, you can’t talk about it.” Nonetheless, measurement does provide a more relevant and reliable basis for analysis and opinion. A major objective of this study is to set up at least a framework for a model of the decisions or dimensions involved in establishing and operating joint ventures in international business.

A detailed account of the research and the format of the study appears in Chapter I and the related appendixes. To simplify the problems associated with the potential variability in the subjects and their environments, the research strategy adopted was to examine in depth a
subset of the total population of joint ventures. The study, therefore, interprets data collected in interviews with senior executives of fifty British corporations involved in joint ventures in India or Pakistan.

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