Course objectives: This course is designed as an introduction to a history of Indian business in the modern period—i.e. the period covering India’s transition to the modern industrial economy. The colonial period was crucial to this transition, as contact with European business unleashed many forces that transformed India’s traditional businesses and the activities of traditional Indian business communities, including their transformation into industrial capitalists. This transformation was neither smooth nor linear, always involving both collaboration and conflict between Indian entrepreneurs and business groups with, first the colonial state and then, the independent Indian state—a complex relation shaped by the changing domestic and international contexts. The course will take the student through the vicissitudes of this journey through the early and late colonial periods as well as the planning and post-reforms periods of independent India, right up to the present. The motivation behind this course is not to study history for its own sake, but to understand the present. The lectures would emphasize the contemporary relevance of specific historical experiences through examples. The objective is to understand the irreducible complexity of organizing business in society and to highlight the importance of strategic decisions by business actors in response to changing business context. The broad scope of the course requires us to be selective with respect to major events and important case studies covered in the course and required readings. Interested students are encouraged to go through the list of references for further reading. This is a 3 credit course with twenty sessions (twice a week) of one and a half hour each.

General outline of topics covered:

- Introduction and the state of industry and commerce in India at the time of colonization.
- Early colonial rule and the fate of indigenous merchants in different parts of India.
- The rise of Indian industry in Western India—profits from opium trade and the rise of cotton textile industry in the second half of the nineteenth century. British dominance of industry in Eastern India. Multinationals, Agency houses and rise of Marwari industrialists in Eastern India in the early twentieth century. The impact of two World Wars and the Great Depression on the rise of Indian industry. Swadeshi enterprises and other challenges to British domination of business.
- Indigenous capital and the bazaar economy—between traditional subsistence economy and the modern European enclave economy. Traditional commission agencies (arhat) and financial instruments (hundi). The contemporary relevance of the concept of the bazaar economy.
• Some dominant business communities in colonial India—Parsees, Marwaris and Nattukottai Chettiar.
• Case studies of slow and difficult adoption of new technology in colonial India—silk filature, cotton ginning and iron smelting. Artisan resistance.
• Independent India and the planning period— The conceptual division of the economy into sectors and the place of private industry in economic planning. Growth of traditional big business groups during the Nehru era. Conflict and collaboration between the Indian state and business groups.
• Development of capitalism from below. The story of powerloom.
• The external environment: Sterling balances controversy and the loss of access to capital for investment in the early Plan period. The role of foreign investment in the early decades of independence.
• The restrictions on private business in late 1960s through 1970s and business response: case studies of the multi-nationalization of Birla enterprises and the rise of Dhirubhai Ambani using the stock market.
• Alternative models of business success—Case studies: Amul and the cooperative model, Maruti and the state-initiated revolution in the automobile market, industrial cluster in the Tiruppur area.
• Social origins of India’s new capitalists.

Evaluation: There will be an mid-term exam accounting for 40% of the grade, a two-page response paper on any one of the readings on the reference list, accounting for 20% of the grade and a presentation (individual or group, depending on the number of students enrolled in the class) at the end of the term on a topic of the students’ choice, approved by the course instructor and accounting for 40% of the grade.

Topics and Reading List
(Some changes in the required readings may be done if necessary)

Week I: Lecture I: Introduction

Lecture II: Indian business at the time of colonization

Readings: None for the first week.

Week II: Lecture III: Rise and fall of Agency Houses
Case Study: Carr and Tagore Company

Lectures IV: The Rise and Maturation of Indian Industry in the Colonial Period
Case Studies: Scindia Shipping, Tata Steel


Week III: Lecture V: The Rise and Maturation of Indian Industry (Contd.)
Case Study: Swadeshi enterprises in Calcutta


Lecture VI: The bazaar economy


Week IV: Lectures VII and VIII: Business Communities in the colonial period: Parsees, Marwaris and Chettiar


Week V: Lecture IX: Technology adoption by artisans in the colonial Period


Lectures X : Private Business in National Plans in independent India


Week VI: Lecture XI: Capital Accumulation from below
Case Study: Powerloom sector

**Lecture XII:** Foreign Investment in the Plan period


Week VII: **Lecture XIII:** License-Permit Regime and Business Response

- Case Studies: Birla and multi-nationalization of Indian Business
  Dhirubhai Ambani and the stock market

**Reading:** Kudaisya, M. (ed) *The Oxford India Anthology of Business History*, Oxford University Press, New Delhi. Pg 381-405

**Lectures XIV:** Alternative models of Business success: Amul and Maruti


Week VIII: **Lectures XV:** Alternative models of business success: Tiruppur knitwear industry

**Reading:** Cawthorne, P. M. "Of networks and markets: the rise and rise of a South Indian town, the example of Tiruppur's cotton knitwear industry." *World Development* 23.1(1995): 43-56.

**Lecture XVI:** Evolution of Indian Business Groups


Week IX: **Lectures XVII:** Evolution of Indian Business Groups (Contd.)

- Case Study: The software industry

**Lecture XVIII:** Social Origins of India’s new Capitalists


**References:**


Kidron, M.. Foreign investments in India. 2001. Taylor & Francis


