EMERGING PATTERNS OF INDUSTRIAL ENTREPRENEURSHIP IN INDIA

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INTRODUCTION

A. *Purpose of This Study*

IT IS INTENDED TO examine the emerging patterns of industrial entrepreneurship in India in the period following Independence.[1] An attempt will be made to identify those who are participating in the industrial drama unfolding itself in this country. The study would shed light on the cadres the entrepreneurs are being drawn from—their economic, geographic, social, and cultural affiliations, and highlight the change, if any, from the colonial past. It would also provide clearer insight into the entrepreneurial development "gaps" that still persist despite the official policies and measures designed to broadening the base of entrepreneurship.

At the moment, only sporadic attempts in the field of Indian entrepreneurship exist. Quite useful in their own ways, they either relate to some of the small firms or small regions of this vast country and no integrated view of the developers of the new corporate private sector is forthcoming. This study aims at serving as bench mark for comparisons and measurements of the entrepreneurial development in the future.

B. *Plan of the Study*

Data have been collected from numerous and diverse sources through correspondence and interview method. Besides, reliance has been placed on published sources, viz., company prospectuses, directories, biographies, features appearing in the newspapers, magazines, journals, and the like.

When we pieced these bits of information together, we noticed that a considerably large number of the company promoters[2] could be easily grouped into families,

[1] These are the tentative conclusions of a study being pursued by the author at the Delhi School of Economics for his doctoral degree. The author is heavily indebted to Professor L. C. Gupta for his initiating him into this task and his continued guidance at every stage of this work. Professor Mahinder D. Chaudhry, Professor A. B. Ghosh, Professor H. N. Pathak, Dr. B. M. Bhatia and Mr. K.R.G. Nair offered their valuable comments on an earlier version of this paper, for which the author is extremely grateful to all of them. Thanks are also due to the University Grants Commission for partly financing this project. The deficiencies that this paper still suffers from are exclusively the responsibility of the author.

[2] Amongst promoters included are those who performed one or more of the following functions: (1) perceived opportunities for profitable investments; (2) explored the prospects of starting such a manufacturing enterprise; (3) obtained necessary industrial licenses; (4) negotiated with the foreign collaborators; (5) arranged initial capital; (6) provided

nuclear or extended.[3] It was thought unnecessary to study family background of three or four members of the same family. We have, therefore, grouped the promoters into "families." In order to measure economic power, regionwise and communitywise, we have singled out one most important family or individual in every company on the basis of their shareholdings, share in managing agency firm, other forms of company control,[4] the initiative displayed in the formation of the company, etc. In fact, no single criteria could be used in every case.

We propose to examine the background of these families. In cases where the hereditary occupation of the founders could not be known, the father's background was considered. Where even father's occupation was not available and if the promoter had branched off into manufacturing after a long innings elsewhere, his own previous occupation has been included, but such cases are just negligible.

Let it not be construed that we have undermined the importance of "not so important families." In fact, most of them have figured in our list in one company or the other on the basis of the criteria used. Besides, we are quite conscious of the role played by the individuals left out on the "dominant family" basis. We consider their association with these families a significant development in broaden-

personal guarantees to the financial institutions; (7) promised to meet the shortfalls in the capital; (8) supplied technical know-how, etc. In the case of organizational promoters, we identified those with whom the control of the promoting organization resided and finally, included those who have performed some of these functions in the promotion of the company included in this study. The terms "promoter" and "entrepreneur" have been used synonymously.

3 The views widely differ on the point whether the Indian joint family system is disintegrating or not and whether an extended family is conducive or detrimental to the process of industrialization. With the social transformation taking place, people are developing a materialistic outlook; and sentiments and emotions are expected to play less important role. That is, people will do whatever they consider in their best interests. It appears that the joint family system may be fast disintegrating for vocations other than business. The reason is simple: the merits of joint family lose their significance in other vocations in the face of attendant demerits of it. But if a nuclear family branches off into business from other occupation, as it succeeds, the trend toward disintegration will be checked. Initially, it may appear that the members of the joint family are a drag on the resources of the firm set up by the nuclear family, but the fact is that it becomes a training ground for new entrepreneurs and this beneficial effect more than outweighs the harmful effects. The legal and other changes may bring about a shift in the form of joint family, but will not disintegrate it into unconnected nuclear families, as Milton Singer observes about Madras industrial families, "While there have been striking changes within three generations in residential, occupational, educational and social mobility, as well as in patterns of ritual observances, these changes have not transformed the traditional joint family structure into isolated nuclear families." It is also interesting that he finds this system quite conducive to the establishment and expansion of modern industry as he further observes:

> But it is not at all true that the joint family system is structurally and functionally incompatible with these features of modern industry and therefore either is a major obstacle to the development of industry or is inevitably destroyed by the progress of industry. On the contrary . . . the traditional joint family system and many of the practices associated with it offer some distinct advantages for organizing an industrial enterprise. . . . The varied talents of family members can be trained and utilized for a variety of industrial operations—fiscal, administrative, engineering, etc.—as these develop within the parent company and in the establishment of subsidiaries. And as older members retire and withdraw from active life, the continuity of capital and management is replenished from the pool of joint family friends and personnel. With

ing of the base of entrepreneurship, as their next generation will take a cue from them and not so surprising, the course of the family working may change and the foundations of new traditions may be laid here. It is with this in mind that after measuring economic power and tracing family origins, we propose to go into the occupational background of all individual promoters immediately prior to venturing into manufacturing.

These families have been divided into three categories: (1) those which are popularly known as the large industrial houses (including the industrial houses called as "large") as enumerated by the Industrial Licensing Policy Inquiry Committee; (2) those which made a beginning before Independence but could not assume a size to be included in the first category;[5] and (3) those which made a debut only after Independence. This has been done with a view to understanding their relative importance in the newly developed corporate private sector and will also reflect upon the extent and direction of change.

The study is divided into four sections. In the first section, we present the picture of the corporate private sector as a whole. In the second section, occupational origins of Indian promoters are analyzed. The third section sets out social and geographic origins, and finally, the conclusions are drawn in the fourth section.

C. *Coverage*

The scope of this study is limited to manufacturing industries in the corporate private sector. The industries like hotels and restaurants, electricity generation and

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> a living horizon of three or four generations visible at any given time, its extensibility into the future limited only by the family's fertility, the scope for industrial foresight and planning seems practically unlimited. [16, pp. 444–46]

The literature on Indian business and industry is replete with examples that huge industrial empires have been built on joint family basis. Despite the abolition of managing agency system which was no different from a contract between the promoted enterprise and the promoting family, the joint family continues to be a nucleus for a large number of industrial promotions.

Therefore, the observations of Nafziger on the basis of the Nigerian case in regard to expansion of Indian firms founded by the joint families seem to be out of order. However, the position relating to initial establishment of firms seems to be similar in both the countries. He examined the effect of the Nigerian extended family on entrepreneurial activity and found that the extended family increases the establishment of firms by entrepreneurs, but entrepreneurs wishing to expand their firms lose more than they benefit from the institution of the extended family [13, p. 32]. He also surveys Indian entrepreneurship and observes, "Few data are available on the general impact of the Indian extended family on entrepreneurial activity. However, the Indian case might be expected to be similar to the Nigerian case" [12, p. 305]. Our own study of small-sized companies which have not yet come for public issue (not covered in this paper) shows that the entrepreneurs who have relied exclusively on their own funds for providing initial capital have done so from joint family funds and also those who have taken external assistance have provided their own share mainly from family funds. The fact that the joint family facilitates initial setup of enterprise is also in itself a significant benefit from the point of view of initiation of entrepreneurship.

4 Like holding of the office of the managing director, number of members of the family represented on the board of directors, company registered office at the place of residence, etc.

5 Some of them started in a very small way only a few years before Independence.

supply, mining, and servicing do not fall within the purview of this study. No jute and tea company figures in this analysis. In all, it is a study of the promoters of 317 nongovernment manufacturing companies incorporated on or after April 1, 1947 through March 31, 1972 and which came for public issue out of an approximate number of 400 initial issues in all during this period. This study covers a substantially large part of the newly developed manufacturing corporate private sector. To better comprehend the representativeness, one will remember that this number of 400 initial issues also includes those companies which were promoted earlier than April 1, 1947, but came for first public issue during this period and also nonmanufacturing companies excluded by us. Further, it is also quite probable that some of the companies left out might have been promoted by the people who are covered in this study, as many families have promoted more than one company and that is why the number of families is less than the number of companies covered.

D. *Limitations*

We have taken project outlays estimated in the company prospectuses at the

TABLE I
FOUNDER TYPE AND THE SIZE OF THE NEW CORPORATE PRIVATE SECTOR

Founder Type	Number of Companies Covered (A)	Number of Companies for Which Project Outlay Available (B)	Estimated Project Outlay (Thousand Rupees) (C)	Total Assets Companies Coming Only for Additional Finance Had Built before First Public Issue[c] (Thousand Rupees) (D)	Total Resources Under Their Control (Thousand Rupees) (E)
Large industrial houses[a] (type 1)	62	55	3,398,576	92,202 (2)	3,490,778
Families which ventured before Independence (type 2)	71	64	1,620,679	207,759 (7)[d]	1,828,438
Families which ventured only after Independence (type 3)	166	153	1,401,696	187,066(16)	1,588,762
Foreign enterprises[b] (type 4)	18	15	187,638	314,010 (5)	501,648
Total	317	287	6,608,589	801,037(30)	7,409,626

Note: Foreign promoters might also have been associated with the first three types of founders.

[a] In large industrial houses are included the foreign groups as enumerated by the Industrial Licensing Policy Inquiry Commitee.

[b] In two of the companies, Indian promoters were also associated, but their association was not significant.

[c] In column D, the number of companies which came only for additional finance has been indicated in brackets. The additional finance required has already been included in column C.

[d] Total assets built before first public issue are available only for seven out of ten companies which came for additional finance in type 2.

time of first public issue. These issues spread over a long period of twenty-five years—a period which has witnessed an inflationary trend. Subject to these price changes (as we have added the project outlays for the period as a whole), our accuracy will be limited by the accuracy of the estimates of project outlays. Another limitation is that in some cases, we faced difficulty in identifying Hindu and Jain Banias separately and so we have lumped them together. Further, one can scarcely vouchsafe completeness as it is an elusive goal in such a study based upon a reconstruction from widely scattered and fragmentary information about the careers of such a large number of entrepreneurs.

I. INDIAN CORPORATE PRIVATE SECTOR: COMPANY SIZE AND FOUNDER TYPE

Tables I and II present a broad spectrum of new corporate activity in India.[6] Thirty-two large industrial houses (type 1), 60 "other old families" (type 2), and 147 "new families"[7] (type 3), apart from foreign enterprises (type 4), partook in the new industrial promotions. The dominance of the large industrial houses is evidenced by their control over bulk of the total outlay with floatation of a bare 19 per cent of the enterprises. Considering all old families together, their control is further accentuated. Close to three-fourths of the resources (75.95 per cent of the project outlay and 71.79 per cent of the total resources) fall under their joint command. The "new families" have demonstrated considerable grit and determination by founding more than half of the new companies, but their significance is whittled down when viewed from the standpoint of their share in the total resources of the corporate private sector. They account for a meagre 21.21 per cent of the project outlay and 21.44 per cent of all the resources for the com-

[6] The estimated outlay to bring the project into fruition will be the basis for measuring the size of the new corporate private sector. At the time of first public issue, the capital structure and project outlays as given in the company prospectuses exhibit a variety of patterns. Some public companies originate as proprietary or partnership concerns or private limited companies and arrange finance from their families, friends, associates and lending institutions, but while undertaking expansion, modernization, or diversification, they decide to go public. When inviting public to participate in their capital, they indicate in the prospectus the additional finance required and modes of that finance. There are others which begin as public limited, but the promoters manage initial finance privately. After working for some time and establishing it in the market, for the aforesaid reasons, they also decide to raise additional finance. There are still others which, having originated in one of these ways, come not only for additional finance required but also the funds needed for taking over the existing business. The familiar pattern, of course, is to marshall initial finances from personal sources to initiate action on project implementation and in the meanwhile, tap various sources to collect anticipated total project outlay. Broadly speaking, therefore, public limited companies mention in the company prospectuses one of the two types of project outlays, viz., additional finance required for new activity or full cost of the project under implementation. But these are two different situations in corporate life and hence to introduce homogeneity at the stage of first public issue, we will add the amount of total assets built, as disclosed in the balance sheet for the period immediately preceding the public issue, to the additional finances required. This will present the true picture of the new corporate private sector and the resources commanded by each founder category at the same stage in corporate life.

[7] This includes one Nepali family also.

TABLE II
DISTRIBUTION OF COMPANIES BY FOUNDER TYPE AND SIZE (TOTAL ASSETS)

Founder Type	Company Size in Total Assets						
	Below 2.5 Million Rupees (Small)	2.5–5.0 Million Rupees (Medium)	5.0–7.5 Million Rupees (Big)	7.5–10.0 Million Rupees (Large)	Over 10.0 Million Rupees (Giant)	Not Known	Total Number of Companies
Large industrial houses (type 1)	—	1	7	6	41	7	62
Families which ventured before Independence (type 2)	2	4	14	6	35	10	71
Families which ventured only after Independence (type 3)	8	32	37	24	52	13	166
Foreign enterprises (type 4)	1	1	3	2	8	3	18
Total number of companies	11	38	61	38	136	33	317

panies for which data are available (53.31 per cent).

One can look at this feature from two angles: (1) how large is the contribution of a few families to the industrial development of this country, and (2) how large is the economic power wielded by a few families. Whatever may be the interpretation, there is no gainsaying that during this period of twenty-five years the major initiative for new industry came from a small number of families that had appeared on the industrial scene even before Independence. What is still startling is the concentration of effort among "concentrates." The Birlas alone commanded more than 30 per cent of the resources at the disposal of the "large industrial houses" and 14.3 per cent of the entire entrepreneurial community.

In the absence of any other study of this kind, no opinion can be expressed about the adequacy of emergence of 147 "new families" after Independence. It is, no doubt, a matter of real gratification, but it is fairly certain that it is not a number large enough by any standards. Further, it is not known how many of these will be able to withstand the onslaughts of big business and how many will otherwise die out in the face of vagaries of competitive industrial life and because of their own internal weaknesses. Already there are instances that the companies promoted by certain new entrepreneurs have now fallen into the first or second-tier of certain large industrial houses or have been acquired by other established business houses. Again, this number of 233 families in all may be still smaller, if what Burman [6, pp. 95–100] states is true that Daga, Newar, Somani, Mohta, Kothari, etc., are all related to the Birlas in one way or the other; Kejriwals and Padias are their associates, Morarkas and Khaitans are guarding their interests, and we know that the Hadas are their business executives. All of them have come to promote their independent enterprises and find place in our study. In the same way, there may exist matrimonial and other alliances among some other families as well. In actual practice, the circle may be shorter than what in size it ostensibly looks to be.

The relationship between founder type and company size is shown in Table II. The "new families" have largely promoted companies with an investment below 10 million rupees, whereas the large industrial houses and the "other old families" have gone for giant-size floatations. In fact, the average size of a company promoted by these houses is more than 60 million rupees. Below the giant-size, the big-size floatation is the most preferred size for all types of founders. For a company to go public, an outlay of "5.0 to 7.5 million rupees" became a modal size.

This explains how a small number of promotions by the large industrial houses and "other old families" take away the largest slice of the resources. An important question to ask would be: how these companies were financed; whether the promoters employed their own resources; and to what extent, the moneys collected from the public financial institutions and the wider public contributed to the building of their large industrial edifices.[8] The greater their drag on public resources, the smaller the public resources available for generation of new entrepreneurship.

II. OCCUPATIONAL AND EDUCATIONAL ORIGINS OF ENTREPRENEURS

Let us now peep into the origins of founding families. We will exclude from the discussion that will follow the foreign groups included among the large industrial houses and the category 4 of founder type, i.e., foreign enterprises.

A. *Occupational Origins*

The Indian businessman combines in himself the activity of trading, money-lending, broking, and even speculating. He is a real estate owner too. All this portrays his economic level in the society, offers security, brings appreciation in value and hides black money. Therefore, an occupational category may at best be regarded as a dominant activity of the family and not the exclusive one.

Table III sets out economic origins of the families the entrepreneurs are being drawn from. Despite all-round change in environment, the manufacturing activity still remains an exclusive preserve of those families which are rooted in trading, import-export, financing, and allied activities. For branching off into manufacturing, one has to tread along the familiar path of mercantile activity. The accumulation of surplus in a particular activity is the main determining factor, and that takes place in business more than any other activity.

Amongst the large industrial houses which came to promote enterprises after Independence, 71 per cent had originated in business, 12.5 per cent in land and real estate owning, 8.3 per cent in business employment, and the remaining ones in sharebroking and teaching. The predominance of business as a source of entrepreneurship is still greater (80 per cent) in "other old families," though the families originating in the professions of law and medicine have also marked

[8] The author will examine this problem in another paper.

TABLE III
OCCUPATIONAL ORIGINS OF THE ENTERPRISING FAMILIES

Family Occupation	Founder Type			
	Large Industrial Houses	Families Which Ventured before Independence	Families Which Ventured Only after Independence	Total
Technician	—	—	—	—
Doctor	—	1	1	2
Lawyer	—	1	1	2
Teacher	1	—	—	1
Government servant	—	—	1	1
Business executive	2	—	2	4
Landlord and real estate owner	3	3	13	19
Contractor	—	—	5	5
Sharebroker	1	—	1	2
Financier and banker	—	4	5	9
Businessman	17	37	96	150
Others	—	—	2	2
Subtotal	24	46	127	197
Not known	2	14	20	36
Grand total	26	60	147	233

their entry. When the large industrial houses and "other old families" are considered jointly, as they appeared on the industrial horizon before Independence, an overwhelming majority of families (84 per cent) are found to be grounded in business and allied background. What remains is shared by three land and real estate owners, two business executives, one doctor, one lawyer, and one teacher. However, a slight change is noticeable in the case of families which have emerged in the post-Independence period. Business and allied activities, though still a dominant source, account for only 80 per cent of the families. The land and real estate owning and contracting families have steadily improved their relative positions, whereas doctor, lawyer and business executive families could only sustain their previous position in absolute numbers.

The Second World War offered contracting families an opportunity to make fortunes. Subsequent emphasis upon industrialization and urbanization too accelerated the pace of construction activity. In this process, the land values shot up sky-high. Both land and real estate owning, and contracting families thus reaped a rich harvest, and that accounts for their upsurge. The professional families could not make any thrust—entrepreneurs with technical traditions and teaching background are missing altogether; instead, one family each of government servant, politician, and Maharaja joined the ranks of industrialists.

All periods are periods of change. What differs in one period from the other is the pace of change. In this period propensities toward change which was both radical and basic tilted the balance in favor of land and real estate owning and contracting families. The business, land and real estate owning, financing, contracting, and sharebroking became the main suppliers of industrial families. In these lines money has snowballing effect. Further, these people's contacts with the markets place them in an advantageous position to perceive opportunities and appraise them better.[9]

We have so far traced the origins of dominant families. Table III gave the activities the dominant families were rooted in. Going into hereditary occupations is important in itself, but the occupation of the promoter immediately before he ventured into manufacturing is of no less significance. This will throw light on his acquisitions in life as an individual.

Table IV presents the occupational distribution of promoters in the companies promoted by "other old families" and "new families."[10] This analysis relates to all the promoters, not necessarily members of dominant families.[11]

Promoters in "other old families" predominantly have industry, business and financing activities as their previous occupation. A slightly over 17.4 per cent of promoters, before coming to industry, were technicians, land and real estate owners, doctors, business executives, and others. "Others" include one each of Maharaja, chartered accountant, journalist, and management specialist. Further, engineers are found in other occupational categories as well, viz., two in "business," one in "business executive," and four in "sons of industrialists." "Landowners" include one son of Maharaja.

Promoters in companies of "other old families" when contrasted with promoters in companies of "new families" will bring out the magnitude and kind of change in entrepreneurship. Instead of 82.6 per cent promoters engaged in industry, business and financing in the former class of companies, only 72.2 per cent of promoters have these activities as their previous occupations in the latter class. Even if contractors and sharebrokers who do not figure in the former list are included in the latter, the percentage does not go beyond 77.7, leaving 22.3 per cent share for other categories. The opportunities have been well-seized by a new class of entrepreneurs—government servants and lawyers and proportionately increasing number of technicians, doctors and business executives. The thrusts and

9 For an excellent discussion of what causes differences in ability to perceive profit opportunities, see [1, pp. 461–68].

10 We do not deem it necessary to include the members of families owning large industrial houses in this table, as the present members are mostly second or third-generation industrialists. The family origins of first-generation industrialists of these houses have already been shown and any other activity different from industry for second or third-generation of these industrialists is inconceivable when they have already assumed such dimensions. However, we invite the attention of the interested readers to the careers of those developers who came from a background different from that of the family or those who were themselves not in business: (1) For the House of Shri Ram, see [17]. (2) We have regarded Kirloskar's origin in "teaching." Some regard him as "technician." His father's occupation is not specifically known. As he himself was a teacher and one of his brothers who helped him was also a teacher, we decided to classify his origin in "teaching." See [7, July 22, 1963 and June 20, 1969] [2, p. 285] [9, p. 261] [18, pp. 43–46]. (3) For the House of V. Ramakrishna, see [2, pp. 303–5]. (4) For Simpson or Amalgamations Group, [2, pp. 264–65]. (5) For Mahindra and Mahindra, see [9, pp. 258–59] [18, p. 43].

11 A particular promoter might be associated with both old and new families and hence, one may feel, there is a possibility of double-counting. But in the Indian industry, this phenomenon is not of common occurrence as yet, and so, no double-counting exists.

TABLE IV

OCCUPATIONAL DISTRIBUTION OF PROMOTERS IMMEDIATELY PRIOR TO UNDERTAKING MANUFACTURING ACTIVITY

Type of Promoter	Number of Promoters in the Companies Promoted by Families Which Ventured before Independence	Number of Promoters in the Companies Promoted by Families Which Ventured Only after Independence	Total
Technician	9	31	40
Doctor	2	6	8
Lawyer	—	4	4
Teacher	—	—	—
Government servant	—	7	7
Business executive	2	18	20
Landlord and real estate owner	6	8	14
Contractor	—	13	13
Sharebroker	—	8	8
Financier and banker	5	10	15
Businessman	70	259	329
Son of industrialist	34	6	40
Others	4	11	15
Subtotal	132	381	513
Not known	30	9	39
Grand total	162	390	552

drives of this new class of entrepreneurs will pave the way for breaking the monopoly of business and allied activities, and portends well to usher in the new traditions. However, teacher-entrepreneurs are conspicuous by their total absence.

Among business, over 16 per cent of promoters were found to be engaged in import-export trade. They entered industry because of increasing restrictions on imports and easy availability of foreign collaboration to them. Ten engineers, one prince and one chartered accountant were also found to be engaged in their own business. The category of "government servants" is composed of high retired officials like one deputy governor of Reserve Bank of India, one inspector-general of police, one Indian Civil Service officer, one surgeon, two engineers and one army officer. "Others" include four rulers of erstwhile states, four chartered accountants, one journalist, one commercial artist, and one politician. We also find one technician, and one chartered accountant among "business executives," one engineer among "sons of industrialists," and five engineers among "contractors" in the new entrepreneurial class.[12]

[12] A better approach would have been to calculate representation coefficients for each occupation category for different periods taking into consideration the ages of the promoters, but the problem is that the Indian census data are not available in this form and hence, over or underrepresentation of occupations is impossible to find. Any manipulation of census data for the purpose would offer as misleading results as these are without it, if they are so. The number of families and individuals participating in the industrial drama is so small that the coefficients—occupation, community or regionwise—would be insignificant. We feel that a glance at the tables conveys the same peculiarities of development which would have been disclosed by the coefficients.

From this analysis we deduce that there is gradual shift in favor of professionals and others having a background different from business and allied activities. The question arises: does it mean that personal accumulation of savings is no longer a necessary condition for industrial promotion? As a galaxy of financial institutions exists and the investing public is responsive to initial issues in times of stable economic and political conditions [14, pp. 207–14], the need for personal accumulation of surplus might have been lowered in degree, and substituted by need for technical knowledge and access to sources of official information. That is occupations wherein some amount of surplus is possible and the occupants possess other factors of technical knowledge and access to sources of official information will constitute the potential sources of supply, or in the absence of critical capital at the disposal of a single individual or family, there will be more and more collaborations between people in possession of these critical resources.

Let us then clearly pinpoint the potential sources of entrepreneurship. The technicians,[13] doctors, lawyers, business executives, government servants, politicians, and the erstwhile rajas are such sources for their own reasons. The technicians are likely to collaborate more and more with others in the event of their inability to raise sufficient finance. To a certain degree, accumulation of surplus takes place in the professions of law and medicine and among highly placed business executives. Black money, bribes, and knowledge strengthen their position. In a tightly controlled economy, high government officials and politicians are also on a high pedestal. The erstwhile rulers with the abolition of privy purses and privileges will have to eke out their living from some source and struggle to maintain their social status of the days gone by. All considerations, like possession of capital, high-level acquaintances, access to governmental authorities, etc., in their favor, they will gradually swell the ranks of industrialists.

To probe further, the pertinent question is: how deep is this occupational change? We look for an answer to this question in formal education of these promoters and their parentage. We are primarily interested in the holders of professional qualifications. The information is scanty, but a pointer in certain directions.

B. *Formal Education*

We have information for 40 promoters associated with "other old families" and 102 promoters associated with "new families." For the remaining ones, it may be said with a fair degree of accuracy that a majority of them does not possess an education to be proud of. Most of those who do not have high formal education undergo private coaching in the disciplines they need. The available information is presented in Table V by type of education and number of promoters in the

[13] Berna conducted a study of fifty-two medium-sized firms of Madras and surprisingly found the largest single group of entrepreneurs composed of graduate engineers (twelve in number or 23 per cent of the total), most of them young and nearly half of them possessing foreign engineering degrees [3, p. 61]. Nafziger ascribes this emergence to their relatively large output, relatively low average salary, and high rate of unemployment. He argues, "One notices, for example, that very few industrial entrepreneurial positions are filled by persons with backgrounds as civil servants, who as a group have relatively high salaries, good working conditions, attractive fringe benefits and secure tenure. To

TABLE V
FORMAL EDUCATION OF COMPANY PROMOTERS

Qualification	Number of Promoters in the Companies Promoted by Families Which Ventured before Independence	Number of Promoters in the Companies Promoted by Families Which Ventured Only after Independence	Total
Professional			
Technical	16	50	66
Medical	2	6	8
Law	1	12	13
Business management	1	5	6
Accounting	1	6	7
Other graduate and postgraduate (arts, commerce, and science)	19	23	42
Total	40	102	142

explain entrepreneurs participation among groups such as graduate engineers and civil servants, it is useful to consider the alternative remuneration available" [12, p. 301]. The widespread emergence of technician-entrepreneurs and feeling among the entrepreneurs to impart technical education to their wards at the level of entrepreneurship Berna studies has been corroborated by many other studies like that of the author himself (not covered in this paper) and UNESCO Research Centre on Social and Economic Development in Southern Asia [20], the Central Small Industries Organisation, Government of India. While looking for an explanation for this, one will remember that Berna studies only light engineering firms and their appearance in large numbers in engineering industries than in other industries is highly probable for obvious reasons of their knowledge of plant, processes and products. Further, problem of unemployment among engineers was not serious enough at the time Berna conducted his study and prior to that. Moreover, virtually all of his technician-entrepreneurs came to industry after having some experience in some private firms, the State Department, or the technical institution. And so the problem of unemployment is not a plausible reason for their appearance. This apart, if unemployment is the reason, a proportionate share of nontechnical unemployeds should be found in the industry. On the basis of this reasoning almost every entrepreneur must have been unemployed and that is what must have pushed him to industry. Of course, low average salary may partially explain this, but Nafziger has completely undone his point by comparing them with persons "with backgrounds as civil servants." The civil servants that he talks of must be very high officials who can hardly be expected to fill entrepreneurial positions at such small levels. Because of their important resource—administrative experience and "connections," they find lucrative appointments in big business houses and foreign companies, or launch enterprises at relatively higher levels of entrepreneurship as the present study indicates. If Nafziger has in mind civil servants drawing salaries comparable with what the engineers would have drawn or what a fresh entrant into civil service would have got (as most of these engineers are young), it is well-nigh impossible for people coming from such a salaried group (unless they have some accumulated capital from members of their families), having no other advantage in their favor, to start industry. In fact, to a great extent, the preponderance of technically qualified people in only certain kinds of industries at small levels of entrepreneurship is accounted for by the inducements being offered by the state with special emphasis upon the possessors of technical education so as to make use of their critical input, i.e., knowledge; their familiarity with machines and processes, and their suitability to keep pace with the fast changing technology, and to some extent, low status accorded to them in the Indian society [15, pp. 25–28]. Besdies, the availability of capital in their family is sure to spark spirit of enterprise in them.

TABLE VI

PARENTAGE OF THE POSSESSORS OF PROFESSIONAL QUALIFICATIONS

Occupation of Father	Type of Education					Total
	Technical	Medical	Law	Business Management	Accounting	
Technician	—	—	—	—	—	—
Doctor	2	—	—	—	—	2
Lawyer	—	1	1	—	—	2
Teacher	—	—	—	—	—	—
Government servant	2	—	—	—	—	2
Business executive	—	—	1	—	—	1
Landlord and real estate owner	6	—	—	—	—	6
Contractor	3	—	—	—	—	3
Sharebroker	—	—	—	—	—	—
Financier and banker	—	—	—	—	—	—
Businessman	18	1	6	4	1	30
Industrialist	3	—	1	—	—	4
Others	1	—	—	—	—	1
Subtotal	35	2	9	4	1	51
Not known	31	6	4	2	6	49
Grand total	66	8	13	6	7	100

TABLE VII

SOCIAL ORIGINS OF THE POSSESSORS OF PROFESSIONAL QUALIFICATIONS

Social Origins	Type of Education					Total
	Technical	Medical	Law	Business Management	Accounting	
Hindu and Jain Banias	17	1	9	2	3	32
Patels of Gujarat	10	1	—	2	—	13
South Brahmins	5	1	—	—	—	6
Naidus	6	—	—	—	—	6
Other South Hindu castes	3	—	—	1	—	4
Maharashtrian Brahmins	4	2	1	—	—	7
Konkani Brahmin	—	—	—	—	1	1
Bengali Brahmins	2	—	1	—	—	3
Bengali Kayasthas	3	1	1	—	2	7
Khatris	3	2	—	1	—	6
Sikh	1	—	—	—	—	1
Sindhi Hindus	2	—	—	—	—	2
Oriya Brahmin	1	—	—	—	—	1
Oriya Kayasthas	2	—	—	—	—	2
Kashmiri Brahmin	1	—	—	—	—	1
Delhi Jat	1	—	—	—	—	1
Bohra Muslim	1	—	—	—	—	1
Parsi	1	—	1	—	—	2
Syrian Christian	—	—	—	—	1	1
Not known	3	—	—	—	—	3
Total	66	8	13	6	7	100

companies promoted by "other old families" and "new families." Twenty-one out of 40 promoters associated with "other old families" hold professional qualifications, of whom 16 in technical education. Among the promoters associated with "new families," 79 out of 102 hold professional qualifications, of whom 50 in technical, 12 in law, 6 each in medical and accounting, and 5 in business management education. In all, 100 of 142 promoters possess professional qualifications, of whom 66 per cent in technical education.

We go into the parentage of the possessors of these professional qualifications in Table VI. The evidence available points toward the dominance of businessmen and industrialists' sons in every field of professional education, though it is not so marked as the occurrence of these activities in the case of "occupational origins of the enterprising families" or the occupational background of the promoters before branching off into industry. In law and business management education, their hold is clearly established, but in technical education nearly 29 per cent of promoters are sons of land and real estate owning, government servant, and doctor fathers. The two government servant fathers are themselves technicians. One possessor of medical and one of law education have lawyer fathers.

As the information for nearly equal number of promoters' fathers is not available, we resort to their distribution on caste/community basis just to see if this can help us in understanding the change better and appreciate if it has gone deep into traditional Hindu caste system and other religious communities. The social origins of the possessors of professional qualifications are shown in Table VII.

Table VII throws very interesting results. The hold of north Indian and Gujarati Bania communities is noticed in law and to some extent, accounting and business management education. In medical education, the Maharashtrian Brahmins and Khatris dominate. In technical education, there is a wide spreadover. Here again, the Banias are on the top, but their position is not dominating. They account for about 26 per cent of promoters, closely followed by the Brahmins contributing nearly 20 per cent. There is significant supply of technical promoters from the landowning communities of Gujarat, i.e., Patels, and of the South, i.e., Naidus.

Reading Tables V, VI, and VII together, it is, therefore, observed that the professionals who are joining the ranks of industrialists are being mainly drawn from technical education. In professional education, there is preponderance of the sons of businessmen, industrialists and allied activities, but their share is not that significant in technical and medical education as in others. On caste/community basis, the traditionally trading community of Hindu and Jain Banias is still a serious force to reckon with in every field of professional education excepting medical, but on technical education the grip is not that strong as on others. The Brahmins of the South, Maharashtra and Bengal, Patels of Gujarat and Naidus, apart from other communities, are serious contenders and fast catching up.

III. SOCIAL AND GEOGRAPHIC ORIGINS OF ENTREPRENEURS

The social and geographic origins of the dominant families are presented in Table

TABLE VIII
SOCIAL AND GEOGRAPHIC ORIGINS OF THE ENTERPRISING FAMILIES

Caste/Community	Founder Type: Large Industrial Houses	Families Which Ventured before Independence	Families Which Ventured Only after Independence	Total
South Indians				
Chettiar	—	3	—	3
Land owning castes: Kammas and Naidus	3	2	4	9
Mudaliar	—	3	3	6
Brahmin	3	1	9	13
Gounder	—	1	—	1
Syrian Christians	—	2	2	4
Muslim	—	—	1	1
Not known	—	2	5	7
Subtotal	6	14	24	44
Gujaratis				
Banias: Hindu and Jain	2	11	18	31
Patels	1	2	10	13
Bohra Muslims	—	—	3	3
Lohanas	—	—	2	2
Brahmins	—	1	2	3
Bhatia	—	1	—	1
Not known	—	1	—	1
Subtotal	3	16	35	54
Parsis	1	—	—	1
Marwaris				
Banias: Hindu and Jain	12	10	25	47
Maharashtrians				
Brahmins	1	3	3	7
Jain Bania	—	—	1	1
Marathas	—	—	2	2
Subtotal	1	3	6	10
Punjabis				
Khatris	1	7	9	17
Banias: Hindu and Jain	—	2	1	3
Brahmin	—	—	1	1
Sikhs	—	—	6	6
Not known	—	—	1	1
Subtotal	1	9	18	28
Bengalis				
Kayasthas	—	—	5	5
Brahmins	—	1	2	3
Baidya	—	—	1	1
Suvarnabanik	—	—	1	1
Subtotal	—	1	9	10
Sindhi Hindus	—	—	4	4

TABLE VIII (Continued)

Caste/Community	Founder Type: Large Industrial Houses	Families Which Ventured before Independence	Families Which Ventured Only after Independence	Total
Oriya				
Brahmin	—	—	1	1
Kayastha	—	—	1	1
Subtotal	—	—	2	2
Kashmiri Brahmin	—	—	1	1
Other North Indians				
Haryana				
Bania	1	1	6	8
U.P.				
Banias: Hindu and Jain	1	1	5	7
Kayastha	—	—	1	1
Not known	—	2	—	2
Delhi				
Jain Bania	—	—	1	1
Jats	—	—	2	2
Bihar				
Brahmin	—	1	1	2
M.P.				
Muslim	—	—	1	1
Not identified				
Banias	—	1	4	5
Brahmin	—	1	—	1
Rajput	—	—	1	1
Subtotal	2	7	22	31
Rana of Nepal	—	—	1	1
Grand total	26	60	147	233

VIII. A glance at the large industrial houses brings out two features into sharp focus: first, twenty-two out of twenty-six large industrial houses belong to the South India, Gujarat (including Parsis), and Marwar (Rajasthan), and second, sixteen out of twenty-six houses come from traditionally trading community of Banias. Precisely, Tamil Nadu, Gujarat, and Marwar, three small regions of this vast country and one single caste out of a multitude of castes dominate among the large industrial houses. When we consider "other old families," 67 per cent of the families come from these three areas, but the share of trading and financing communities of Chettiars and Banias is 48 per cent. If large industrial houses and "other old families" are put together, the share of these three areas comes to 72 per cent and of the communities of Chettiars and Banias to 52 per cent in the total situation.

A significant departure from this phenomenon is noticed when one looks at the column of "new families." In marked contrast, the supply of entrepreneurs from three regions of South India, Gujarat, and Marwar and the trading castes of

Banias has sharply declined to 57 per cent and 41 per cent, respectively. Surprisingly, no new Chettiar family has fallen in our analysis.[14] Still, these communities enjoy a pivotal position, but gradually they are losing the grip over the situation and yielding place to other communities and areas. The opportunity has beckoned the activity in certain new communities and a vigorous spurt in certain others. The Brahmins in the South, Patels in Gujarat, and Banias in Haryana and U.P. have sprung up in large numbers and assumed magnificent proportions. Those who have made a debut into manufacturing include Muslims in the South and M.P., Bohra Muslims and Lohanas[15] in Gujarat, Jain Bania and Marathas in Maharashtra, Sikhs and Brahmin in Punjab, Kayasthas, Baidyas and Suvarnabanik in Bengal, Sindhi Hindus, Oriya Brahmin and Kayastha, Kashmiri Brahmin, Kayastha in U.P., Jain and Jats of Delhi, and Rajput of North India. Geographically, Punjab, Bengal, Maharashtra, Haryana, and U.P. have become significant new sources of supply. Socially, important communities after Banias are Brahmins (thirty-four families), Khatris[16] (seventeen families), Patels (thirteen families), Kammas and Naidus (nine families), Kayasthas (seven families) and Sikhs (six families).

No new Parsi family has entered the field.[17] It does not, of course, follow that they are not participating in the industrial activity. It only means that no new family has played a dominant role in the promotion of new companies. "They are now subdued in their spirits," as one Parsi gentleman remarked. Even amongst the old ones, the Tatas alone continue to play their role. Wadias did undertake the promotion of Herdillia Chemicals, but left it in the nascent stage itself to EID-Parry who have been regarded by us as its promoters.

The change is, therefore, mainly of two kinds. First, there is dispersed growth of entrepreneurship among various communities in the familiar regions of supply. Second, it has thinly spread among well-known communities in other areas as well. Despite much of development activity and stress on correction of regional imbalances, the "gaps" in generation of entrepreneurship persist. The states of M.P., Rajasthan (leaving aside small portion), Bihar, Orissa, Kashmir, Assam, and other eastern areas are virtually unrepresented. Even communities from

[14] For a penetrating analysis of the business combines controlled by members of the Nattukottai Chettiar community, see [11, pp. 367–80].

[15] E. Thurston calls them immigrant traders and quotes from the *Bombay Gazetteer*, "They state that they take their name from the port of Loha in Sindh but Burton says that they came from Lohanpur near Multan, and that they were driven South by the Muhammadans. They reverence the Daria Pir, or the Indus spirit" [19, p. 291]. Bhattacharya regards it as a trading caste found chiefly in Sindh [4, p. 466]. Ghurye puts them in tribal or ethnic names [8, p. 31].

[16] They claim their descent to Kshatriya order, though traditionally they have also been engaged in business.

[17] The population of this community has virtually remained static for a very long period and it is a well-knit closed group. It appears that the initial advantage that they had in transplanting European manufacturing to India, became weak with the departure of the British [5, p. 145]. During the course of investigations, one Parsi gentleman gave two reasons for their subdued spirits: (1) they had almost become orphan after the British left, and (2) they believe in competition and freedom, but the present regime believes in controls.

TABLE IX
ECONOMIC STRENGTH OF VARIOUS COMMUNITIES BY ESTIMATED PROJECT OUTLAYS AT THE TIME OF FIRST PUBLIC ISSUE

(Thousand rupees)

Caste/Community	Founder Type: Large Industrial Houses	Founder Type: Families Which Ventured before Independence	Founder Type: Families Which Ventured Only after Independence	Total
South Indians				
Chettiar	—	780,690	—	780,690
Land owning castes: Kammas and Naidus	181,500	10,845	62,869	255,214
Mudaliar	—	83,388	41,105	124,493
Brahmin	87,900	5,425	65,013	158,338
Gounder	—	17,100	—	17,100
Syrian Christian	—	22,500	9,325	31,825
Muslim	—	—	3,800	3,800
Not known	—	?	57,044	57,044
Subtotal	269,400	919,948	239,156	1,428,504
Gujaratis				
Banias: Hindu and Jain	159,010	243,411	193,689	596,110
Patel	403,700	15,953	153,835	573,488
Bohra Muslim	—	—	13,110	13,110
Lohanas	—	—	14,166	14,166
Brahmin	—	11,100	25,560	36,660
Bhatia	—	6,500	—	6,500
Not known	—	170,022	—	170,022
Subtotal	562,710	446,986	400,360	1,410,056
Parsis	130,500	—	—	130,500
Marwaris				
Banias: Hindu and Jain	1,583,637	135,032	199,103	1,917,772
Maharashtrians				
Brahmin	81,315	93,038	28,790	203,143
Jain Bania	—	—	108,974	108,974
Marathas	—	—	27,300	27,300
Subtotal	81,315	93,038	165,064	339,417
Punjabis				
Khatris	117,750	75,232	121,985	314,967
Banias: Hindu and Jain	—	39,851	13,914	53,765
Brahmin	—	—	5,870	5,870
Sikh	—	—	58,769	58,769
Not known	—	—	5,800	5,800
Subtotal	117,750	115,083	206,338	439,171
Bengalis				
Kayastha	—	—	32,875	32,875
Brahmin	—	22,000	21,588	43,588
Baidya	—	—	6,000	6,000
Suvarnabanik	—	—	13,036	13,036
Subtotal	—	22,000	73,499	95,499

TABLE IX (Continued)

Caste/Community	Founder Type: Large Industrial Houses	Families Which Ventured before Independence	Families Which Ventured Only after Independence	Total
Sindhi Hindus	—	—	72,922	72,922
Oriya				
Brahmin	—	—	13,600	13,600
Kayastha	—	—	4,065	4,065
Subtotal	—	—	17,665	17,665
Kashmiri Brahmin	—	—	5,700	5,700
Other North Indians				
Haryana				
Bania	37,722	3,390	31,809	72,921
U.P.				
Bania: Hindu and Jain	77,500	5,500	21,971	104,971
Kayastha	—	—	11,000	11,000
Not known	—	14,800	—	14,800
Delhi				
Jain Bania	—	—	23,769	23,769
Jats	—	—	41,222	41,222
Bihar				
Brahmin	—	59,500	7,000	66,500
M.P.				
Muslim	—	—	?	?
Not identified				
Bania	—	6,161	53,650	59,811
Brahmin	—	7,000	—	7,000
Rajput	—	—	9,671	9,671
Subtotal	115,222	96,351	200,092	411,665
Rana of Nepal	—	—	8,863	8,863
Grand total	2,860,534	1,828,438	1,588,762	6,277,734

Note: These figures do not indicate an exact position of a particular community or area as data are available only for 264 companies out of 290 promoted by these families. But as the companies for which data are not available are not restricted to any particular community or area and are widely scattered all over, they should represent a fairly good relative picture of various communities.

U.P., the most heavily populated state in the country, have not recorded any cognizable progress. Further, the importance of this change gets blurred when one realizes that it remains confined to the well-known trading castes which had gained considerable fortunes in the nineteenth century itself and castes of Brahmins and writers' caste of Kayasthas who otherwise enjoyed a superior status in the society and Sikhs, a religious sect free from all inhibitions. A myriad of castes and communities other than Brahmins, Banias, and other trading communities, Kayasthas, Naidus, and Patels among Hindus do not significantly occur at this level of company promotion. The representation of other religious communities is meagre. Once vigorous community of Parsis is languishing. The change has not yet filtered down to the lower layers of the society.

Whatever little change has been witnessed, the important question is: what is its significance? Not numbers but the extent of dent to the stronghold of entrenched classes is relevant. We measure the economic importance of various communities in different regions in Table IX.

In the matter of company promotion, the Marwaris are far ahead of others followed by the Gujaratis, South Indian communities, and Punjabis in that order. As regards economic strength, they are superior to any other community individually, regionwise or otherwise. Regionally, they are followed by the South Indian communities, Gujaratis, and Punjabis. They control nearly 26 per cent of the new assets created in these companies, but an interesting thing is that among the Marwaris, the Birlas alone command more than one-half of the resources. However, a development of far-reaching significance is that among the "new families," the Marwaris are a declining force. The order of precedence is the Gujaratis followed by the South Indians, Punjabis, other North Indians, Marwaris, and Maharashtrians. The Bengalis and Sindhi Hindus are vying with each other to forge ahead.

Among the traditional castes, the Banias, even taking exclusive of other trading communities, account for 46.8 per cent of all the resources controlled by the native entrepreneurs, but among the "new families," their share has receded to 40.7 per cent. The Chettiars who control 12.4 per cent of the total resources, do not figure among the "new families" altogether. And so, among the "new families," the Brahmins take the place after the Banias by accounting for 10.9 per cent which is an improvement over their share of 8.6 per cent in the total resources. Next in importance are Patels whose contribution among the "new families" is higher than what it is in the old families. The Khatris have recorded tremendous improvement and increased their proportionate share in the "new families" by more than half. However, the proportionate share of Kammas and Naidus who are lagging behind the Khatris, has slightly declined in the "new families" as compared to their share in the old families.

But what is the contribution of altogether new communities in different states? The new communities—new in the sense that their representatives have not figured among old families, have contributed 29.9 per cent of the share of "new families" and 6.4 per cent of the total resources. In the total situation, compared with the old and experienced enterprisers, their contribution pales into insignificance, but among the "new families," their share is quite substantial. The Sikhs, Sindhi Hindus, Jain Bania of Maharashtra and Delhi, Jats, Kayasthas of Bengal, and Marathas deserve a special notice. Muslims in the South and Gujarat, Lohanas of Gujarat, Brahmin of Punjab, Baidya and Suvarnabanik of Bengal, Brahmin and Kayastha of Orissa, Kashmiri Brahmin, Kayastha of U.P., and Rajput of North India have also made small beginnings.

A peculiar development that should not pass unnoticed is the emergence of Brahmins as a serious and potential class of entrepreneurs. The supremacy of Banias is still unquestioned, but the Brahmins are second only to the Banias in numbers or value. They are becoming pathfinders in every new area. This may be ascribed to various factors,[18] viz., caste restrictions becoming loose, industry becoming a symbol of prestige, a highly educated class of people and willingness of this educated class to adapt themselves to the changed environment. As their ability to perceive opportunities is enhanced through the knowledge of markets, they are likely to strive more and more for a better standing and share in expanding industrial life of this country. Their empires are still very small, but they have built them brick by brick and in this period, the rate of growth recorded by Brahmin families among the large industrial houses is unsurpassed by any one save one or two cases. Few cases from amongst the large industrial houses demonstrate the same (Table X).

TABLE X
RAPID GROWTH OF BRAHMIN FAMILIES AMONG THE LARGE INDUSTRIAL HOUSES

Group	1958–59		1966–67	
	Paid Up Capital (Million Rupees)	Share in Total Corporate Private Sector (%)	Paid Up Capital (Million Rupees)	Share in Total Corporate Private Sector (%)
Seshasayee	20.6	0.19	122.3	0.69
T.V.S. Iyengar	17.4	0.16	106.6	0.60
Anantharamakrishnan (Amalgamations)	26.7	0.25	77.2	0.44
Kirloskar	12.5	0.12	97.5	0.55

Source: Computed from the Industrial Licensing Policy Inquiry Committee report, Government of India, 1969.

18 Berna considers entrance into manufacturing industry at a wide remove from traditional Brahmin activity, which in modern times has traditionally lain in the fields of education, government service and the professions. He also feels that a feeling of being discriminated against in their traditional spheres of activity exists among the South Indian Brahmins. But there is an awareness among members of the community that times are changing and that industry is becoming a field of increasing opportunity for their sons. This might have led them to industry [3, p. 70]. Again, quite emphatically, he asserts, "The emergence of industrial entrepreneurs in modern India is more directly conditioned by economic than by social factors. Access to capital, possession of business experience, and the opportunity to acquire technical training . . . appear to be far more important than purely social factors such as caste, tradition, and social approval and disapproval," but at the same time, he also observes, "The prevailing social structure, however, obviously has a profound influence in determining who amasses capital, and obtains business and technical knowledge" [3, p. 84]. In other words, though Berna emphasizes economic factors, yet recognizes that in the existing conditions, the possession of economic factors is the result of social factors. Hoselitz thinks Brahmin entrepreneurship as a reaction to new sociopolitical objectives and new social values. He suggests that once this new value is recognized and accepted, their traditionally elevated social position is an asset in aiding the attainment of positions of social status in the new social environment. His main contention is, therefore, that the Brahmin entrepreneurship is a result of reaction to new social values, but the contributing factors are hoarded wealth of Brahmin families and their easy access to technical education [10, pp. 38–39]. Thus, Berna attaches more importance to economic factors than social factors, but admits that presently, social factors govern economic factors, whereas Hoselitz considers the Brahmin entrepreneurship as a reaction to the demand of new situation, and their hoarded wealth and education as the facilitating factors. To get close to the problem, we pose a question, what was

IV. CONCLUSIONS

This study of promoters of 317 companies promoted on or after April 1, 1947 and which have come for public issue makes the following revelations:

1. The major initiative for translating their projects into actuality stemmed from the large industrial houses. The projects launched by them were generally giant-sized. Thus, they control bulk of the investments made in the new corporate private sector.
2. The "new families" showed considerable grit and determination by founding more than half of the new companies, but their share in the newly created assets is not very significant.
3. There are some visible signs of change—economically, socially and geographically, and the formation of new entrepreneurial structure is in the offing.
4. As regards economic origins of the "new families," business and allied activities still remain a dominant source, but they have yielded some ground to land and real estate owning, and contracting families.
5. Considering the individual promoters' occupational background immediately before entering industry, we find significant gains secured by a new class of entrepreneurs composed of government servants, lawyers, technicians, doctors and business executives.
6. The presence of sons of businessmen and industrialists among professionals is not so marked as the occurrence of these activities in the case of "occupational origins of the enterprising families" or the occupational background of the individual promoters before branching off into industry.
7. Amongst professionals, the promoters are being mainly drawn from technical education wherein the sons of businessmen and industrialists, no doubt, have a preponderance, but their grip is not so strong as in other fields of professional education.
8. Socially and geographically, there is dispersed growth of entrepreneurship among various communities in the familiar regions of supply and it has thinly spread among well known communities in other areas as well.
9. The Brahmins, Khatris, Patels, Kammas and Naidus, Kayasthas, Sikhs, and Sindhi Hindus have made rapid advances.
10. Apart from already famous areas, Punjab, Bengal, Maharashtra, Haryana, and U.P. have assumed significance as new sources of supply of entrepreneurs,

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the hindrance which checked their appearance in industry earlier? The hoarded wealth and education, if it is so, are not their new possessions. On the basis of these, they should have branched off into industry even earlier. Undeniably, we come across isolated instances of some Brahmins struggling to find their feet in industry even in the past, but most of them were the results of reaction, and their education and liberal outlook helped them to enter industry. In fact, most of those who did make small beginnings belonged to the middle class families. So in modern times, as Hoselitz suggests, increasing importance of industry will compensate them for the loss of social status which changing values and consequent loosening caste restrictions have caused them, but it is not their wealth, rather education and access to information which are coming to their rescue. They have, by and large, gone into new sectors of manufacturing which have gained considerable importance in the period after Independence.

besides sporadic attempts here and there.

11. The Brahmins appear to be responding well in hitherto undeveloped regions.
12. The supply of entrepreneurship from the so vigorous a community of Parsis is waning.

These findings of ours suggest that the Indian society is witnessing a slow and gradual transformation and the seeds of entrepreneurship are sprouting even in hitherto undeveloped regions of the country. But at the level of entrepreneurship where joint stock companies seek public contribution to their stock, as yet, the entrepreneurship has circulated among the communities which enjoyed a higher social status, and it will be long before the enterprising spirit filters down to lower layers of the society—Hindus and other religious communities which have largely remained inert.

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