
An Influential Relationship

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Kamal Aron Mitra Chenoy's *The Rise of Big Business in India* is a solidly researched and well-argued account of the relationship of Indian big business and the Government of India from the period immediately before independence, approximately from the 1935 Government of India Act, to 1966 (the Introduction says 1944 but I think that is an oversight). The book is based on a careful reading of a mass of the Federation of Indian Chambers of Commerce and Industry (FICCI) documents, Purshottamdas Thakurdas' papers, and an exhaustive and careful reading of secondary publications. The book comes to a set of very clearly specified conclusions (p 4). Few researchers would differ with many of these conclusions. With some of them, however, there would be many who would have reservations. Specifically, these conclusions are as follows:

- (i) The FICCI is the representative of Indian big business or a segment of it, not industry or trade as a whole.
- (ii) The main reasons for the FICCI's influence with the Congress are: (a) continuing ties with the Congress leadership beginning in the pre-independence period; and (b) the FICCI's general policy of working with the Congress party and government, though the book documents exceptions. It also discusses why other business groups lacked similar influence.

FICCI's Influence

The book also records the extent to which leading figures of the FICCI were actually part of the Congress leadership and perhaps underestimates the extent to which they had a constituency that the Congress needed. As the book documents, big business not only acted on Congress from outside but many of its owners and executives were early and active members. Many of these FICCI

BOOK REVIEWS

The Rise of Big Business in India by Kamal Aron Mitra Chenoy, Delhi: Aakar Books, 2015; pp 342, ₹895.

leaders felt that their nationalist and industrial activities were parallel efforts directed towards national liberation. Of course, there were other motivations as well but ignoring the principled ideological ones would be a mistake.

(iii) FICCI's influence with the Congress enabled the former to influence government policy during the period concerned.

(iv) Consequently, from 1947 onward there were pro-big business modifications of public policy.

The book also records but discounts some big business policy defeats. More precisely, it describes a confrontation with the more left-oriented forces in the Congress which the FICCI often defeated. The book recognises the many other factors, objective and subjective, which led to these defeats, such as the small peasant holder base of the Congress, the inherent conservative element of the Indian civil service cadres and so forth. It is less accepting of specific pragmatic arguments for the decisions concerned based on the fact that the big businesses were in place and were known actors. Any change was at least likely to have some transition costs. The alternatives were untried.

(v) The result of these pro-big business policy modifications was the relative growth of big business. This was the conclusion as well of the P C Mahalanobis and R K Hazari Committees in this period and led to the Monopolies and Restrictive Trade Practices (MRTP) Act being enacted soon thereafter. That government policy favoured big business continues to be the dominant reading of commentators from many points of view, though the relative blame to

the policy concessions recounted or the overall regulatory system is contested.

As to the hypothetical question of what would have occurred with much less regulation this is hard to determine. For a later period, those like Gita Piramal point to major big business groups who were constrained when out of favour (Piramal 1996, 1998). Thus not only were big businesses favoured, but the particular mix of such groups was determined as well.

Current Debates

At the end of the book, Chenoy makes an argument from Marxist theory that this development was determined by the capitalist nature of Indian development (pp 311–12). To confirm this argument it will need to be continued for the following two or three decades. In fact, what is the dominant trend in Indian economic commentary denies that Indian development before liberalisation was capitalist at all (Roy 2017).

As you would imagine, all of this means that this well-written book may drag for some readers with little patience for the details of regulatory and commercial policy in the period. But, there are snappy and accurate conclusions to each chapter and the book as a whole. The author has prominence as a public intellectual and this book represents a small subset of his interests. Those with interest in the period and issues must read it.

It also fits into several current debates. My late father used to say, "All facts are not created equal." The book fits into a large and growing discussion of post-liberalisation India and its relationship to what went before in terms of policy and its impact. Among the items of controversy is the precise periodisation of liberalisation and of previous policy regimes. But the characterisation of the policy regime and its impact are also contested. This volume is one more on the side of continuity.

Despite the wide range of sources, there are some business history sources which a later edition should address. The book is obviously not written from

the viewpoint of Indian big business itself, though it cites a number of business history sources and archives—but omits some obvious ones. The outstanding example is Medha Kudaisya's (2014) biography of G D Birla. This omission is particularly unfortunate because Kudaisya has gone on to publish and research on some of the same topics as Chenoy and the early parts of the period he covers (Kudaisya 2014, see also Lockwood 2011 and Chibber 2009). The Tata and Godrej archives are publicly available and other papers are accessible in different forms and have been used by a number of researchers. In fact, there has been a

movement to find and utilise business archives associated with Sanghamitra Chatterjee, founder of Past Perfect: A Legacy Management Agency and formerly an archivist at the Godrej Archives, and Dwijendra Tripathi, formerly of the Indian Institute of Management Ahmedabad.

The bottom line, if I may use a business phrase, is that this volume is a major contribution to Indian policy-making history and compulsory reading for those who wish to understand that field.

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