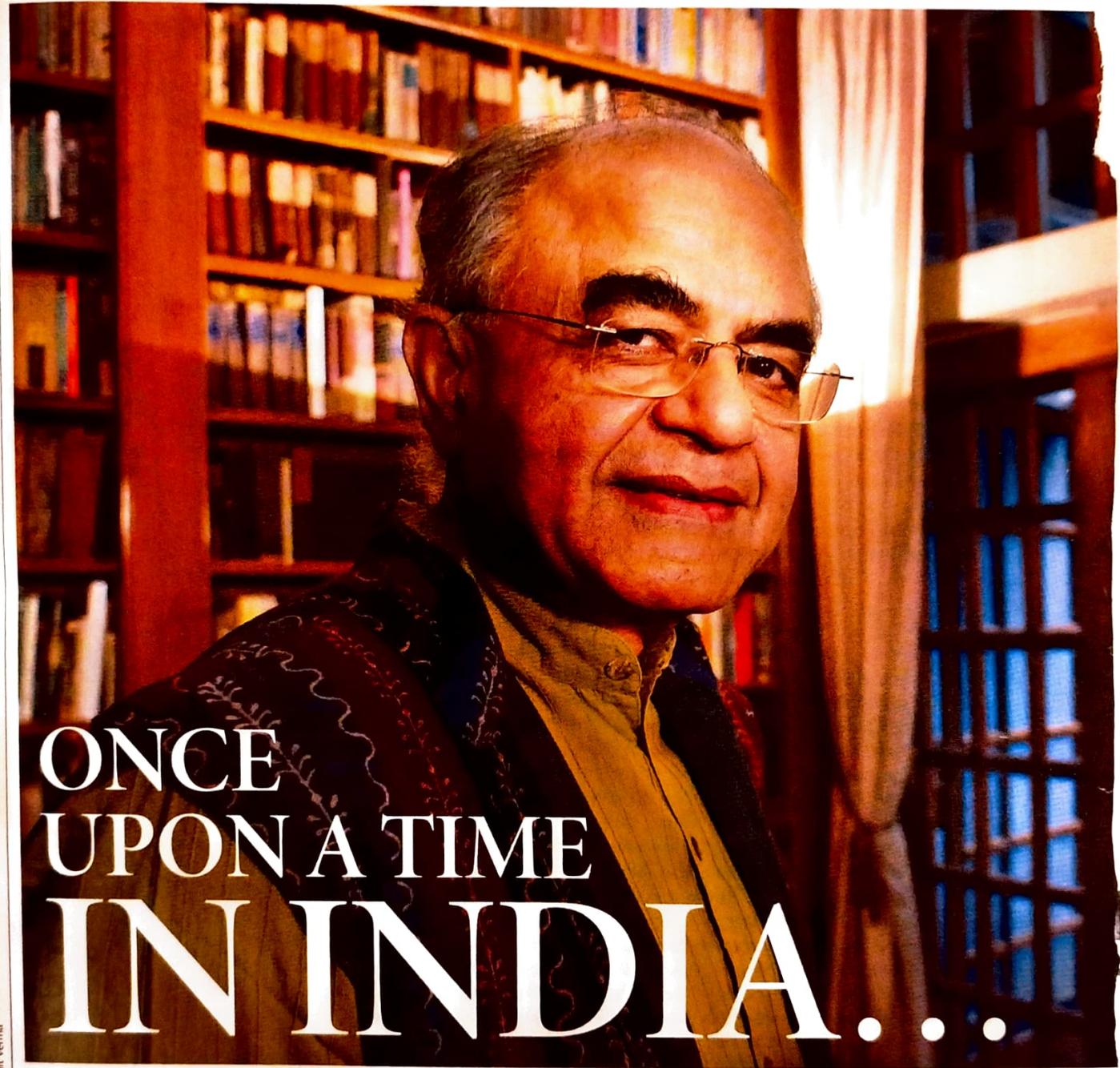




Who was the most ethical businessman in India in the 17th century? Which was the Buddhist Monastery that had the most savvy business strategy? Such questions pertaining to Indian business and economic history will soon be explored in a series of books being brought out by Penguin. **Gurcharan Das**, author and former P&G India chairman, is the general editor for the project. *Malini Goyal* caught up with Das on a Saturday evening to understand the project.



ONCE UPON A TIME IN INDIA...



Steve Raymer / Corbis

At Home Deepavali celebrations at Little India in Singapore

cutting and polishing industry. The Indian diaspora has also had important trade enhancing and investment effects.

On the other hand, the loss of significant numbers of the highly skilled has undoubtedly had negative effects as well, perhaps most manifest in reducing the supply of professionals with the managerial and technical capabilities to run institutions and organisations, be they colleges or hospitals, statistical systems or research laboratories. A prime example of these adverse effects can be seen in India's higher education system. When the IITs and IIMs, as well as new science and technology research institutes were set up in the 1950s and 1960s many of the key personnel in these institutions were trained abroad and returned to India, inspired by the heady days of "nation building." But by the late 1960s, more and more of India's best and brightest began to go abroad, never to return. The small number who did were sufficient to maintain the high standards of a small number of institutions, but not their expansion, and

the number of graduates from these elite institutions remained virtually unchanged for four decades.

Meanwhile, the replenishment of talent in universities and research institutes began to decline as fewer returned. Finally, when return migration picked up at the turn of the century, few saw public institutions as a viable career alternative. This has been an important reason why Indian universities (virtually all public) have deteriorated. As mediocrity has become entrenched, it has become even more imperious to change.

While there are many complex reasons for the travails of Indian higher education, these have been amplified by the manner in which the system has been a net exporter of talent. Any system that hemorrhages talent over the long run will struggle to survive, let alone prosper. There have been considerable cognitive effects as well. A stark example is the state of West Bengal, where three decades of communist rule has so politicised its institutions of higher education that the large number of excellent researchers from this state

can be found all over the world, except in West Bengal.

The benefits — or costs — of international migration will depend largely on India's domestic policies and politics rather than something intrinsic to this specific mechanism of globalisation. Whether the India diaspora will lobby for the country of origin in foreign capitals or instead help raise funds for separatist movements, whether the "brain-drain" becomes a "brain-gain", whether they invest in factories in the country of origin or one-way tickets for their compatriots to leave the country of origin, will be and large depend on what happens in India. It must be remembered that citizens leave their country for a reason. And when they leave, the factors that led them to leave do not disappear. How these factors are addressed will fundamentally shape migration effects on India. ■

The author is Director, Centre for the Advanced Study of India, University of Pennsylvania.

Why is Penguin doing this project?

India has one of the largest growing populations of new business class. India's entrepreneurs [are drawing attention today]. We wanted to understand India's entrepreneurial energy. We have always been a seafaring nation with adventurous traders and smart businessmen. There



must be great business ideas that may have historically emerged here. This is an attempt to understand India's capitalistic past. You must remember that one of our oldest texts is *Arthashastra* — meaning study of commerce.

Today, a whole generation of Indians has grown up with minds that are decolonised and liberated. They also have not had the good fortune of studying history. They want to know.

Tell us about the project.

We have selected a wide range of themes. And they are spread over ancient, medieval and modern Indian history dating from 3rd Century BC to the first half of the 20th Century. They have been written by a mix of authors — some seasoned experts who are authorities in those areas, like Tirthankar Roy of London School of Economics will be writing on the East India Company. There are others who are young, bright and are keenly interested in those areas. Some of the themes that we have picked up are: *The Science of Wealth: The Arthashastra of Kautilya*; *Marwaris: What we can learn from their success*; *Business models of the early Buddhist Monastery*.

For example, *Business models of the early Buddhist Monastery* will look at how a monastery functioned as a corporation, how it made money and spent it and what were the principles that governed it as an enterprise. The scholars will research ancient texts as the basis for the work. At the end of it, we will bring out great business ideas from India's history that are relevant today.

Any tale you can share now?

One tale that I have found interesting is that of a Jain merchant based on Banarsidas' *Ardhakathanak*. He was a successful but somewhat reluctant merchant. He lived during the Mughal period. He made his fortune in Agra in jewelry around 1610. What is fascinating about him is his humanistic quality and his interest in ethics. He was grappling with the life of money making and yet not making that life itself.

How did our society treat merchants and traders?

Merchants have not been highly regarded in India's history. There were periods and geographies like Gujarat and coastal areas where they were. But by and large they were not so well respected in the society. They are often depicted as people who get rich by robbing the poor and this isn't just true about India. Perhaps people did not understand how if merchants prospered, the society prospered too. What they see is the glitter — the big luxurious house that the Ambani is building. But in the process they don't realise that people like the Ambanis contribute significantly to the social well being. This is what Adam Smith called the "invisible hands".

What about the nexus between business and rulers?

That relationship has always been there. Buddhist monks would go to merchants to collect money and merchants would extract their pound of flesh even then. Rulers of Rajput states depended on Marwaris to fight the battles. If kings lost the battle, [the] merchant lost the money. If they won they would get different kinds of favours. Smart merchants did not give too much. Business was always scared of those with political powers. They are still scared.

Have things changed now?

After 1991, for the first time business is acquiring respect in the society. Industrial revolution began in Europe and the US, 200 years back. Their businesses are in second, third generation. And you see the philanthropic side to it with people like Bill Gates now.

Typically, when money has been there for several generations, when children are sent to the best of schools, they become genteel and are no longer hungry for money. It's a common saying — first generation makes money, second generation wants prestige and power and it is the third generation that wants art, culture, status and aspires for respect. History reveals that money for long makes you comfortable and complacent. ■