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COMMUNAL ENTREPRENEURSHIP IN INDIA

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Abstract

Caste plays a role at every stage of an Indian's economic life; in school, university, the labour market, and into old age. The influence of caste extends beyond private economic activity into the public sphere, where caste politics determines access to public resources. In India a few communities with trading, money lending & financing background dominated in entrepreneurship. Marwari, Gujarati, and Parsi communities are the dominant business communities in India. About Parsis, though they are small in number but their entrepreneurial contribution to the country is enormous. Other active communities also include the Punjabis, Chettis, and Maharashtrians. Marwari, from Rajasthan have the most geographically migrated business community; pursuing businesses all over the country controlling almost half the industrial assets. The focus of the research paper is understanding marwari community, their business and financial strategies and simple basic fundamentals used by the marwari to become successful entrepreneurs.

Keywords: Marwari, Entrepreneurship, Economic Development, Caste system, Business

Introduction

The aggregate evidence indicates that there has been convergence in education, occupations, income, and access to public resources across caste groups in the decades after independence. Some of this convergence is likely due to affirmative action, but caste-based networks could also have played an equalizing role by exploiting the opportunities that became available in a globalizing economy. Ethnic networks were once active in many advanced economies, but ceased to be salient once markets developed. With economic development, it is possible that caste networks will cease to be salient in India. The affirmative action programs may also be rolled back and (statistical) discrimination in urban labor markets may come to an end, if and when there is convergence across caste groups. In the interim period, however, it is important to understand the positive and negative consequences of caste involvement across a variety of spheres in the Indian economy.

The Marwaris are among the three or four most influential business communities in India and even abroad. We all know the Lakshmi Mittal is the world's largest steelmaker and the Aditya Birla group was a global business long before globalisation became a fashionable term in India. Many of Marwaris are engaged in trade, banking, and occasionally manufacture, the group was socially and occupationally diverse. After liberalization of the Indian economy in the 1990s, some Marwari individuals have made successful use of new investment opportunities from a business base that had been created before the economy opened up, but, overall, the group has experienced the same pattern of "creative destruction" as have other business communities. In small towns, Marwaris have almost seamlessly assimilated with local society. In big business, the companies they own define the character of the business more than ethnic identity.

Objective and Research Methodology

The article have prime objective to know that the Indian community engaged in Entrepreneurship and their role in Indian Economy with special reference to Marwari Community. This

is descriptive in nature as review of the existing literature based on purely secondary data collected from all the relevant sources.

Marwaris Community

Marwaris has come originally from Marwar, the desert region of Rajasthan. Agarwals, Maheshwaris and Oswals are main sub-casts among the Marwari mercantile communities in which first two predominantly Vaishnavis and last one is Jain. The desert land and lack of natural resources made Marwari persons to become businessmen and industrious who refused to resign themselves to poverty. They migrated across the world to thrive on the business opportunities. According to Census of 2001, the Marwari is spoken by 79,36,183 in India and their majority concentrated in the states of Rajasthan, Maharashtra and Gujarat. Most of the Marwaris are either Hindus or Jain. The Marwari cuisine is strictly vegetarian and offers a fabulous variety of mouth-watering dishes. Marwari community was created through trading and capitalist alliances. The Marwari trading networks and themselves created the very possibility of a public community. In Marwaris community network and business preferences are tightly knit together. Their high community dominance is visible in Trade Channels across India. Creation of wealth is most valued by Marwari. They are industrious and hardworking persons. New Marwari generation gives utmost important to modern education. Many Marwari business groups have promoted good educational institutions in India.

Marwari Entrepreneur

Entrepreneurship is the successful establishment and management of new business plays a critical role in the development process. However, little is known about the changing patterns of entrepreneurship or its determinants in developing economies. The magical trick of the Marwari community is that they have changed the complete scenario of the business world in India and to some extent globally. Gradually by their financial business acumen and proper planning, the group became very strong and took the complete control of trade and commerce. They came with such innovative practices in business which became fundamental principles and laws of doing the marketing and business. It helped them to surpass the other groups in market. There is a famous old saying: "Where cannot reaches a gaadi, There reach a Marwari" (Implying that nothing comes in the way of the Marwaris and their business, not in the least, the inaccessibility of a place...) It truly says the community has dispersed everywhere around the globe.

It is rather puzzling that the Marwaris, who were not highly educated, made the most significant contribution in the economic and business field during the colonial period. How do we explain this phenomenon? The answer is simple that they teaches their next generation to do business even it is small rather than doing job on any salary because their main motto is to become the job producer not a servant. It will show by the Marwari Entrepreneurs that the success in the world of business depends not so much upon the formal education (western or otherwise) as upon the correct assessment of the original, national and international market forces. In the same way the individual family tradition, howsoever progressive it may be, is not a guarantee for business success. The Marwaris started as small shopkeepers, then became money-lenders, financing, to begin with, the production of opium and cotton.

Characteristics of the Marwari Entrepreneur

- They should wait and watch the money and invest it.
- They Delegate the matter but monitor it for last.
- they prepare plan, and implement on it but have a style and a system
- Lead to expand and do not let the system inhibit growth
- The right corporate culture
- Don't get blown away by fads
- Do not miss new developments

Factor Contributed behind the Marwari Entrepreneur

- One of the reasons for the Marwari community success in business has been its propensity to network much before the word came to be used as verb. Marwaris were left Rajasthan to make their fortunes in other parts of India.
- Another reason for their success was they never considered any job small. If it leads to any payment, it is worth doing. Hence they never felt ashamed of doing any trivial job.
- Marwaris considered every customer as potential customer and remained nice to them even if they did not transact to them with the feel that may be his friends will transact with them. Therefore not only every business activity but also every person has ROI.
- Marwaris consider everyday ledgers more important than annual budget as it leads to know how much unnecessary expenses and leakages done.
- One very important characteristic of Marwaris is investment in diverse business as if one fails money can be recovered from another. Apart from this they also keep a supplement business along with the main business like automobile business then tyre manufacturing unit, a restaurant then a paan shop too etc.
- They also believe in in-house management. That is all the crucial departments are taken care by the family members or close people. Hence has a policy to believe everyone but trust nobody.
- Regarding the risk, they have a policy to look for a calculated risk and minimum damage risk. Apart from this they are always prepared with plan B.

The major challenges before Marwari Entrepreneurs

- **Decentralization**
The decline of several leading business families is attributed to too much intervention by family members and not enough delegation to professional executives.
- **Scouting opportunities**
The business group is like a venture capitalist and often needs to find businesses for their heirs to run.
- **Succession and continuity**
Always the greatest threat to survival. Heirs need to be groomed by the larger family.
- **Routinization of Charisma**
The founder's charisma has to be institutionalized, even as the heirs focus on systems.
- **Family splits**
When the business hierarchy doesn't match family hierarchy, there are splits that need to be managed without damaging the organization.

Some of Famous Marwari Businessman

- Sanjiv Goenka
- Kumar Mangalam Birla
- Kishore Biyani
- Ajay Piramal
- Anand Piramal
- Hari Singh Ranka
- Lakshmi Niwas Mittal
- Rahul Bajaj
- Venugopal Dhoot
- Abhilasha Khaitan

Conclusion

Marwari have all the characteristics what an entrepreneur may possess. They are risk taking people. They are very innovative, creative and broad thinking people. Their basic fundamentals like saving equivalent to earning, and cutting down to unnecessary expenses. Marwari are dominating the Business world. They are making a mark in the world arena. Business families like the Birla's have been pioneers in various industries and at the same time have been very sincere towards their social responsibility. They have not only earned heavily but also given back to the society in terms of educational institutions and employment in general.

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