

State Power and the Rise of India's Big Business

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Chenoy, kamal Aron Mitra (2015), *The Rise of Big Business in India*. Aakar Books: Delhi, pp. 331, Rs. 895 (HB)

In this globalised world, from state power to human life, everything has been controlled by capital which is monopolised by some large business conglomerates. India is no exception. During the period of independence in 1947, there were some hopes and expectations among the common people of India. Socialist patterns of development were promised by the makers of 'modern' India and exclusive growth was expected, positively affecting the common people. Yet, the dreams of millions of people did not come true. Even after more than six decades of independence, the basic problem of 'Roti, Kapda aur Makan' (food, cloth and house) of marginal peoples remain unsolved. In this context, it is essential to question the development patterns adopted in free India, the role of the big bourgeoisie and their inter-connection with the state power, which is the central focus of this book review.

Business history remains a neglected subject in the study of modern South Asia. Since 1970s, a number of historical analysis of the genesis and characteristics of the business organisations and big bourgeoisie in India, based on archival research, have appeared in the writings of Amiya Kr. Bagchi, Stanley Kochanek, Bipan Chandra, Suniti Kr. Ghosh, and many more. Yet, there is little research on India with the context of economic-policy making during the middle decades of the twentieth century.

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Thus, this book fills a gap in research and is a serious attempt to understand the evolution and development of the organisation of Indian business conglomerates. It also examines the genesis of Indian industrial policy in the light of the interaction between the government and the big corporates in India. The main focus of this book is the rise and activities of the Federation of Indian Chamber of Commerce and Industry (FICCI), the apex lobbying body of Indian big business, according to the author, particularly in the period from 1927 to 1966. Here it should be mentioned that the word 'Industry', added a year after its foundation, was not attached with the original name of the body. Yet, the foundation of the FICCI could be regarded as the growing maturity of the Indian big business during the inter-war period.

The book has seven chapters; besides an introduction and a conclusion. In chapter one, the author provides a brief history of the formation of the FICCI by a section of Indian business houses to counter the influence of British-dominated ASSOCHAM (The Associated Chambers of Commerce and Industry of India). The chapter also discusses the difference between the Bombay industrialist and the Ahmedabad-based cotton textile industrialist regarding the FICCI and why the former did not join the federation during the colonial period. This chapter also examines how the big business houses became the dominating section of the Federation and the intra-elite conflicts within the FICCI.

The second chapter deals with FICCI's changing relations with the colonial government and the Congress throughout the nationalist movement. Although, there were various contradictions within FICCI regarding the nationalist movement, the dominating Birla led group supported the Congress. Basically, the entire Indian big bourgeoisie tried to maintain balance between both the nationalist movement and the British imperialism. It is also evident that they considered mass movements as a potential threat and so the Birla led FICCI "sought to apply pressure on the Congress to withdraw mass agitations" (p. 90). However, without any class analysis, the author discarded the comprador character of the Indian big

business, which could have provided us of a more complex picture regarding the development of the big bourgeoisie in India.

Chapter three provides a narrative of the formulation of the industrial policy in post-independent India and the debate about it. In this chapter, the author describes how Indian big corporates influenced the industrial policy of free India through their close relation with the Congress leadership. The People's Plan (Part I), prepared by Tarkunde, Parikh and Banerjee, members of the M.N. Roy's group of Radical Humanist in March, 1944 as a radical alternative of the well known Bombay Plan, is also discussed here. Yet, the author's argument of ignoring the People's Plan by mainstream Indian politicians and makers of 'modern' India is not sufficient. The views of the other political parties, particularly the communist and the socialist regarding this alternative plan proposal, at that time, could have been examined.

In chapter four, the author explains that the big bourgeoisie also played a vital role in the framing of the Constitution, the Industries Act, and the Planning Commission and with these measures, the FICCI considerably influenced the industrial policy framework for the protection and growth of Indian big business.

Chapter five deals with the complicated process of development of the industrial policy during the period of 1951–56. It shows that despite some socialist orientation, the government's industrial policy of 1956 continued to favour significant concessions to the private sectors. The next chapter is a continuation of the previous one. The author explains how the big businesses, through FICCI, pressured the Congress government to formulate the five year plan programme and the industrial policy in their own interest. The author also explores the various deviations from the 1956 Industrial Policy Resolution which enabled the private capital to grow rapidly within a few years and strengthen the private sector.

Chapter seven focuses on the liberalisation process of the industrial policy which was accelerated in the period of 1964 to 1966. During this period, a significant number of industries became de-licensed and the process of the liberalisation of the industrial policy, started

from the beginning, attained a high momentum. Thus, by 1966, major deviations happened in the 1956 Industrial Policy Resolution and instead of opposition by a section within the Congress Party itself, FICCI effectively lobbied for the big business.

With the growth of big business, its political-economic power also increased, “leading to further pro-big business concessions in the development and enforcement of industrial policy” (p. 312). The author points out that within two decades, following the independence, the top business houses of India significantly multiplied their assets. The general law of capital accumulation, according to Marx, is centralisation and concentration of capital, which leads to the development of monopoly. In this aspect, Indian capitalism is very similar to Western capitalism.

In the light of the above discussion, it can be argued that from the very beginning, the Congress led Government of India followed a market-oriented industrial policy which promoted monopoly of the large business. Thus, the author rightly described the entire period from 1947 to 1966 as a “Golden Age” of the “big business” in India.

Overall, apart from some printing mistakes, this book produced a clear vision of the growth of capitalist conglomerates in India and its inter-connection with state power. Nevertheless, one aspect that is worth mentioning is that the book could have integrated, in its discussions, Suniti Kr. Ghosh’s remarkable work *The Indian Big Bourgeoisie* which is “an extremely useful contribution”, according to Partha Chatterjee, “to the Marxist debate” and *Enterprise and Economic Change: 50 Years of FICCI* by H. Venkatasubbiah. The discussion of the above mentioned research could have provided an in-depth analysis of the genesis and growth of the big business in India. I hope that Kamal Aron Mitra Chenoy's book on the development of capitalist corporates in India would open new debates in the field of the business history of modern India, at a time when the difference between the poor and the rich continues to grow. ■