

Entrepreneurs and Entrepreneurial Networks of South Asia

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Introduction:

Entrepreneurs¹ and their associated networks have played a significant but changing role in the history of South Asia. Much of what we know about ancient Indian entrepreneurial behavior comes from external records such as clay tablets of the Middle East, the Bible, Greek, Roman, Buddhist, Sanskrit, and Tamil chronicles, as well as Jain records written in Pali. Most of the available documents do not focus on entrepreneurial behavior, consequently inferences and conjecture are sometimes used. In spite of these limitations a picture of entrepreneurial activity can be developed. One major point to keep in mind, and this paper will show, that especially in the contemporary period, the role, definition and nature of “entrepreneur” changes over time.

As one looks at South Asian entrepreneurs and entrepreneurial network activity since ancient times, four periods fall naturally into place, namely: 1) Ancient, 2) Dualistic, 3) Colonial and 4) Current. Each period made its contribution by building on what came before to create something new and better. The result is an innovative, aggressive, flexible and successful entrepreneurial people of South Asian origins² that are competitive with the best trading,

¹ An entrepreneur is a unique type of individual. Although it will be elaborated later, an entrepreneur is not limited to the field of business. He or she is an innovator but not an inventor. What the entrepreneur does is recombine different units to obtain a desired outcome.

² I realize the term diaspora has connotations of association with the forced dispersal of the Jewish people. But the term has become acceptable terminology to refer to the

marketing, manufacturing and innovative communities in the world today.

Ancient Period:

The Indus Valley (1000-2500) is considered by many to be the cradle of mankind. Although this is not the most popular view held by scholars, it is well within the realm of possibility, and probability. There is much yet to learn about the area. In either case, the Indus Valley became the meeting- ground of people from Europe, Africa and Asia. Located on the point of convergency for East/West trading routes, whether by land or sea, excavations yield artifacts from the remotest areas of the world while remnants of the Indus valley are also found in the far reaches of the globe, more specifically East Asia, Southeast Asia and adjoining Central and West Asian civilizations. They Indus traders had intensive contact with Sumeria, Egypt and Crete (Walker 1968: II, 513-517 and Wheeler 1966).

Locally developed water craft looked like overgrown *san pans* that were used to transport cargo and help defend against aggressors who attacked from the sea. They were not useful for the transportation of large amounts of cargo long distances however.

The urban areas themselves were very sophisticated with hot and cold running water, steam heat and, storage facilities for grain to suffice when famine would hit the area. The streets were laid out in a rectangular pattern with proper drainage and sewage facilities. From all indications, Harappa and Mohenjo Daro, two main cities of the region under excavation, reveal

South Asian overseas community.

urban areas with all the amenities and organization of a present-day metropolis {Basham 1954: 10-43 and Wheeler 1966).

The survival of the civilization was in large part due to the ability to harness the Indus River during periods of flood and drought. This knowledge was acquired from the Mesopotamians. The inhabitants of the Indus region adopted the technology and modified it to suit their particular situation. Such is typical entrepreneurial behavior, that is, when a person or people take existing knowledge and modify or recombine units (not invent) to obtain the desired outcome (Walker 1968: I, 482-486).

The entrepreneurial networks of the Indus Valley were configured in a manner so that they were centered in the Indus urban areas with traders coming to the Indus merchants rather than the Indus people venturing out of their locality. The fact of the matter was that the world wanted products such as spices and finely woven cloth from India while the people of India did not desire products the others had to offer, a situation that lasted through the British Raj. Also, a sense of superiority pervaded among the people of the Indus culture. For example, travel outside was considered defiling and resulted in the loss of one's purity—a forerunner to the purity/pollution principles of the present day caste system. Thus, the entrepreneurial networks were centered in the Indus cities, formed by merchants and traders coming to them, and comprised of people who probably were not kinsmen.

It was a civilization that not only made an impact on the known world of that time. It also provided an ideological base for the South Asian communities that followed (Basham 1954 and Wheeler 1966). More specifically, the present day caste system.

Dualistic Period:

After the decline of the Indus Valley Civilization, around 1000 BC, the Indian subcontinent went into a period where the Northern and Southern parts developed in different trajectories and had to deal with very different situations. The north continually faced invaders, especially from Central Asia while, the South reached out across the seas and developed trade, as well as bringing into being expanding agriculture and religious institutions. By the Third Century BC the Tamils had a fleet of ships and a Superintendent of ships to deal; with the mercantile aspect of marine transport. By this time the Greeks of Alexander had a regular trade with India which was quickly followed by the Romans.

International trade had developed in the Indian Ocean during the pre-Christian era. Arabs were the first to learn how to use the prevailing monsoon winds to navigate across the Ocean. By the First Century AD, Greeks, Egyptians and Levantine had also learned the sailing technique and used the knowledge to reach India.

In the mean time, the Arabs controlled trade over the desert routes. They also controlled around the Indian Ocean until Hippalus, a Greek, in 50 AD, discovered how the Arabs used the monsoon winds. The skill quickly spread and ships ventured from what is now Aden over the heavy seas to Muziris of Malibar with a stop at Dioscorides (Scotia).

The Greeks and Romans kept good records which enables us to understand the Indian activity. Trade was going well for King Solomon got ivory, iron, peacocks and elephants and other parts and materials for his temple. To the rest of the world went rice, gems spices, ginger and so on. However, India imported tin, lead, wine slave girls but for India, exports far exceeded imports.

Although there were some ports on India's west coast, the bulk of her trade was from the

Eastern side. However, no Indian ruler had any navy to speak of, they did not comprehend the need or importance of controlling sea lanes. In the South, the Dravidians³ reached out across the oceans to trade and provide services.

As the South Asian ability to manufacture and trade increased in quantity, quality and efficiency, India developed strong export markets. After the fall of Rome, Indians established strong commercial ties with the Byzantines, Persians and Arabs reaching far into Europe and the Middle East.

Indian influence in Asia developed from the Dravidians of South India influencing southern China and Southeast Asia. They not only contributed irrigation techniques, but brought forms of Hinduism, Buddhism and Islam to such a degree that Southeast Asia, in cultural and economic terms, was part of "greater India."

³ The Dravidians are considered to be the original inhabitants of South Asia and of African origins. They were pushed south by the invading Aryans.

Traders came to India from as far away as China and Arabia. Foreign goods were primarily brought by foreign ships and exports were taken by the same carriers. Also, except for the Cholas who established great overseas colonies, no Indian king had a Navy and none realized the importance of sea power in establishing a defense. There were, however good Indian sailors and ship builders. The Europeans first noticed Indian vessels and mariners around 1440 and regarded them in high terms. In fact, it is likely that Vasco de Gama (1498) had Indian sailors help him circumvent the tip of Africa. The fleets of Indian rulers remained small, used primarily for coastal defense, leaving the control of the sea lanes and trade to the Europeans, which they dominated by the 17th century (Walker 1968: II, 513-520).⁴

When the Moghals came to power around 1526, Hindu elites clung tenaciously to the caste system to exclude the rulers from dominant social institutions and maintaining Hindu superiority. Also, during this time, the greater part of the population subsisted on agriculture with the village being the main unit. Villages were relatively self sufficient units with their own craftsmen. Thus Romila Thaper could rightly say, "Although the Muslims ruled the infidels, the infidels called them Barbarian" (Thaper 1966;279), Thus, the social structure remained intact and reliance on family unity became a basis for the social organization of the people of South Asian origin, whether they resided in the subcontinent or elsewhere.

"National and international trade that emerged as a dynamic and stabilizing force were

⁴ The Marathas were an exception, they had small craft used for piracy.

stultified by the negative attitudes the Brahman elite as well as those who governed.” (Tinker 1966: 33). Unlike Europe, with the rise of the Roman Empire, however, with its demands for oriental luxuries, trade was stimulated. Thus, a shipbuilding industry developed on India’s West Coast and Indian units of measure in weights and coins became the standard for traders. The Coast of Gujarat developed trade, ship building and ship repair centers. Also social change took place as merchants developed into a hereditary profession eventually becoming incorporated into the prevailing caste system.

By the 4th century India’s influence had grown with established trading ties between the Dravadians of South India and southern China and Southeast Asia. The Indian traders also taught those in Asia irrigation techniques and influenced the culture of their clients by introducing Buddhist, Hindu and later Islamic ideology. By 1500, there were as estimated 1500 Gujarati merchants settled in Malaysia Melaka, which emerged as a trade center for spices, foodstuffs, and textiles from Arabia to Indonesia and China. During that time, .

It was during this period that India developed her industry of manufacturing spice and textiles which contributed to her export markets and trade surplus. Thus, after the fall of Rome, the Indian traders established strong commercial ties with the Byzantine, Persian and Arab neighbors. as well as trading partners as far away as Europe and the Middle East. By the 13th century India had mastered world-class spinning wheel and weaving technology⁵ with products, such as Kashmiri Shawls being prized by civilizations like the Chinese.

To summarize, ancient entrepreneurial networks were developed for India because of three factors, 1) location, 2) commodities for export and 3) traders coming to them. Concerning

⁵ A technology the British would attempt to destroy.

trading routes, the Indus Valley Civilization was strategically located where both land and sea trading routes converged between East and West. Thus, it was natural that markets and entrepreneurial activity would center in that area. Along with that, India had spices and other commodities sought after by civilizations to west of her. As a result, entrepreneurs from the West traveled to India to obtain commodities sought further west. Thus, the people of India could maintain a viable export economy while adhering to a religious belief that outsiders were defiling and travel outside of India was polluting, making the individual unclean.

Of courses, there was trade and the influence of Indian culture can from Buddhism to the Mahabharate can be seen in East and Southeast. Asia to this day. However, virtually no lasting colonies were established. Also, Indian rulers never conceived of the importance of sea power and as a result their failure to develop a sea power made them vulnerable to the encroachment of the Europeans. Also, since the rural villages relatively autonomous, there was no overall integration of resources to make a region powerful enough to resist European encroachment. Wealth was usually wasted on selfish and incompetent potentates who lived in lavish luxury while conspicuously consuming profits and surpluses on senseless luxury.

Within South Asia itself, villages maintained and continued to maintain a sense of self-sufficiency and isolation from the central government. Often Brahmans were mediators.. As long as taxes were paid, the villages were left alone, Indirect rule continued through British and it was such that villagers to this day claim with pride that they were never ruled by a foreign power (Tinker 1990: 11, 26 ,31 ,33-5, 37-8 , 43, 53).

Colonial Period:

Theoretically, the entry or the West began with the Aryan invasions. However, the

invasions of Alexander (325 B. C.) brought a sustained relationship with the West. In fact, the great Indian ruler, Asoka, may have had a Greek mother.⁶ In either case, the Hellenistic kingdoms on the northwestern border of South Asia lasted several centuries and were a meeting ground for Buddhist, Greek and later Christian ideas.⁷ In fact, contacts between East and West remained plentiful up through the Roman rule of Antonine (131-168 A.D.). It was during this time that St. Thomas the apostle took the message of Jesus Christ to South India and Alfred, King of Wessex sent emissaries to find the Thomasite Christians, which became the Malabar Church.

With the rise of Islam militancy in the Arab world, communications between Europe and Asia, for all practical purposes, ceased. During the dominance of the Moghal hords over the trans-Continental plains and steppes from Hungary to Asia and the Yellow Sea, East/West

⁶ There are suggestions that Asoka's father married a daughter of Seleucus.

⁷ Even the Buddha was assimilated into the saint worship of medieval Europe. Josaphat, an Indian prince, underwent all the experiences of Buddha. Josaphat and his disciple Balaam were accepted as saints by the Greek Orthodox Church and later by Rome.

communications were further restricted. So wide was the social chasm that even the accounts of people like Marco Polo and Friar Odile were dismissed by their sceptical countrymen.

Trade continued through a network of intermediaries—Venetians and Genoans traded to Constantinople, and the Levant Aleppo to Damascus and Cairo. Caravan routes wound to the Gulf and Red Sea. From these places, traders wound their way to Arab, Indian and Malay sea captains who traded with India and Southeast Asia and returned with spices and other commodities to sell to the Europeans.

Partly due to the relative wealth of India, interest in foreign trade was absent. Thus, Indian traders, not having the aggressive backing of their state, were reduced to being middlemen for the newcomers such as the Portuguese. Without the foreign contact, coupled with the complacency encouraged by their relative wealth inhibited technological improvement and the necessary social changes to be a force in international trade.

The entry of the Western Europe, specifically Portugal and later, Holland, France and England, brought a radical change to the entrepreneurial networks of India. There were several factors driving the Western Europeans to expand their control over much of the world. Initially, the increased militancy of the Arab middlemen made the trade much more precarious. First was the fact that European wanted the spices. They were crucial for the preservation of food as well as improving the taste. As a result, spices from Asia were in high demand in Europe. Second was the philosophy of capitalism which emphasized the quest to always maximize profit and to never be satisfied. Consequently, no matter what the gains, the countries, merchants and people of Western Europe always sought more. Third, to maximize profit, the Arab middlemen had to be by-passed, which led to the exploration for alternative trade routes. Although it came later,

the influence of Calvinistic ethic that equated wealth with Godliness (Weber 1922), added to the driving force that not only led to expanding trade and the elimination of the middlemen, but also to the implementation of colonialization on much of the world.

Contacts with the West had been maintained, but the rise of Arab militancy almost eliminated connections between Europe and Asia. When the Portuguese made contact, they quickly realized the superiority of their guns and ships over the local inhabitants. In 1509, the Portuguese survived an attack at Diu by Egypt and Turkey, when the Sultan of Egypt teamed with Sulaiman the Magnificent of Turkey. The victorious Portuguese then seized Goa in 1511 and were in control of the gold, spices and other commodities of the East West trade.

The encroachment of Portugal into Asia came at a time when that the internal conditions in South Asia were in disarray as king and potentate fought each other continually. Thus opposition to Portuguese encroachment was comparatively light. As a result, Portugal was able to control the maritime trade with Asia while inter-island and inter-continental trade remained in the hands of the Arabs, Malays, Indians and Chinese. Portuguese prominence lasted almost a century, with a form of Portuguese language becoming the *lingua franca*, of the trading networks for almost a century. Unfortunately for the Portuguese, she lacked people to settle the areas they controlled to sustain their gains. Their dedicated missionaries enabled the Catholic community to survive and the Portuguese were able to hold on to Goa. Marriage with the Native population was encouraged but even the Portuguese became vulnerable, first to the Dutch, who concentrated more on Malaysia after establishing a settlement on the Malabar Coast and what is now Sri Lanka. Britain was not a serious contender during these early years. She was not in a strong enough financial position to move into Asia.

With the formation of the East India Company in 1600, trade from Britain started expanding out. Although it was a private company, it had its own military force and in essence ruled much of South Asia until the Indian Mutiny of 1857 set forth abuses and the weakness of the East India Company control. The British government took control of the holdings and ruled until India obtained her independence in 1947.

Under British rule, administration of rural India continued through local intermediaries so rural villages could still claim independence. As a result, people relied more on the family as an economic unit, a pattern that has continued to the present day.

Where products were in demand, such as cotton and jute, plantation economies were developed with the rural populations of areas like much of Bengal losing their self sufficiency and becoming subject to the whims of the world jute market.

As railroads and a communications infrastructure was built, the barrier between villages and markets decreased. As a result, more South Asian products were demanded on the world market. Peasants, saw the high prices on the world market and realized they were not getting their fair share. For those crops that had a demand on the world market, the British instituted a plantation system which made the rural villagers lose self determination and become dependent on the world markets—in the case of Indian cotton, to feed the cloth mills in Manchester. Jute and cotton were major export crops of Bengal while the building of a canal system increased agricultural production in the Punjab resulting in Punjab being a major agricultural exporter.

By the early 19th Century, the mechanisms of trade were simple and undifferentiated. Trading houses were usually partnerships of English, Armenian, Parsis, Marwaris and Gujratis. The various commercial functions such as banking, insurance, and brokerage were not divided

along specialized lines, but were combined under the operations of a partnership. Also, by this time there was a considerable mixing of Indian and British capital and business activity. Big business concerns coalesced in Calcutta and Bombay, these cities developed a cosmopolitan and commercial character quite different from the administrative urban areas.

The East India company had opposed the establishment of banks and they did not develop until the Company's rule was terminated in 1858. Banks were then established, but the modernization of South Asian commerce was and remained the type of merchant house peculiar to South Asia called a managing agency. The system worked like this. A promoter wanted to develop a venture, he would present his idea to a reputable managing agency. The promoters may or may not have had technical or financial resources, maybe they just had a concession. In either case, the managing agency had its own managers, accountants and possibly technicians; a ready made nucleus for launching the venture. This system made for a much more rapid economic development in a country lacking in entrepreneurial structures. On the down side, such a system kept investment relegated to a narrow base. In addition, India continued to have the disadvantage of being yoked by the British rulers. On the other hand, countries like Burma had it doubly difficult because they were dependent on both India and Britain (Tinker 1990: 81,84, 89, 105, 107-10, 118-128.).

Britain, like the Dutch had also been involved in the lucrative slave trade. The abolitionists had their way when legislation prohibited British ships were not permitted to clear a port with a cargo of slaves after 1 May 1807 and after 1 March 1808 no slave could be landed in any British colony. The British Parliament tried to include safeguards but the European plantation owners needed cheap labor, especially in Fiji, Mauritius, Trinidad and Guyana. It

was also a time of rural poverty and starvation in British India. The solution was what Hugh Tinker (1974) has termed, "A New System of Slavery, " more specifically, an indenture system.

Commonly used, the system enabled an individual to sell themselves into a contracted servitude for a period of time. Because of the poverty, starvation and rural indebtedness in India at that time, a traffic of human labor developed between India and the countries with plantation economies. Starting around 1830, it lasted until 1920. Between 1834 and 1934 about thirty million Indians were sent out as indentured laborers.

Abuses in the system abounded. Owners did not live up to their end of the contract. They would impose excessive fines on their indentured. It was not uncommon for a worker to find himself owing more than he made at the end of his agreement, thus necessitating he sign up for another term and not return home at that time. Also, there were few women so the sex ratio prohibited any kind of normal life. The result was that much of their culture was lost among the indentured community. What the indentured system did do was not only create an overseas Asian Indian community, but also created an awareness among rural Indians to a world outside of their village. Money sent home from abroad gave those in indenture a sense of superiority over their kinsmen and village mates in India. It is these people who became the foundation of the overseas Asian Indian Community, or what is commonly referred to as the Indian Diaspora.

Most of those being indentured originated from the south, east or hilly areas of India. Those on the west coast remained merchants while those in the Northwest were declared martial races and were enlisted in the British Indian Army. They were stationed throughout Britain's colonial empire, especially in Hong Kong and Singapore. It was from one of these contingents that a representation of Sikh soldiers visited British Columbia on their way to March in King

Edward VII's coronation celebrations in 1902. Being pleased with the reception they received, some returned to Vancouver to settle there. It was the beginning of South Asian immigration to North America (Buchignani and Indra 1965: 5, 6).

In essence, people of South Asia had followed the British flag to the far reaches of the Empire so that like the British Empire, the sun never set on the Indian Diaspora. Thus the entrepreneurial networks for the people of South Asia became extensive and diverse.

Contemporary Period{

From the early and varied beginnings set forth above, a 15 million strong community containing many and varied entrepreneurial networks that span the globe has developed. To understand the nature of the modern day entrepreneurial network I will start with the typical current entrepreneur. I realize that a system or unit is more than the sum of its parts. Nevertheless, it is helpful to understand the units of which the structure is built (Tinker 1977).

Traditionally, the concept of the entrepreneur was significant in the neoclassical equilibrium-oriented view of economics.

To the theoretical economist in the neoclassical tradition, the entrepreneur was an abstract figure assumed to be unaffected by external influences to the rational operation of the firm he directed. (Greenfield and Strickon 1986: 5).

Put another way, the entrepreneur was considered the manager, trader or merchant *par excellence*. This concept of the entrepreneur as the rationale manager was challenged after the Second World War to that of an innovator, trend setter or challenger to the established order. Thus, the entrepreneur can be a force for change or stability. Also, the concept was broadened out to include participation in institutions besides economic (Barth 1963 and 1966), Thus the focus of entrepreneurial studies has shifted from decision-making to that of analysis of structural

and institutional factors influencing entrepreneurial activity, a framework that will be elaborated in the “current period” section of this paper.

Also, emigrating not only exposes one to new ideas, which result in new combinations, but old restrictive norms are left aside. Where as a Muslim and Hindu would not work together in South Asia, they did and will do abroad..

One man who illustrates the South Asian entrepreneur is Rajiv Mahotra. When Rajiv Mahotra arrived at Michigan State University in 1969 to commence graduate studies in business, it was a time when many American students were looking to India for enlightenment. The Beatles, probably the most popular music group ever, claimed to be devotees of a Guru in India, as did many other celebrities. Interest in India and things Indian was a prominent part of student culture in particular and youth culture in general.

Rajiv was born into a Marwari family, a caste group known for their acumen in business. He felt, as many believed, that he had “business in his blood”. for he was born into a family that had been in a business going back to ancient times. In fact, he had plans to obtain a graduate degree in business administration.

Although he came to the States on a student visa, Rajiv had an idea that he felt would make him rich. He noticed how Americans not only were fascinated with Indian religion but also how they bought things in “packages,” that contained items that were used together to obtain a desired goal. Thinking how he can use these ideas, Rajiv came up with idea of selling “Guru kits” to students. That is, he would have an attractive package consisting of wood sandals, wood beads, incense, saffron and an Instruction Book on how to meditate, with names and addresses of Gurus and *ashrams*, both in the States and in India. Immediately, Rajiv wrote to his parents in

India explaining his idea to them and asking them to supervise the assembling of the Guru Kits in India, send them to him and he would market them in the States.

Everything went according to plan. Rajiv's family members in India supervised the creation and assembly of Guru Kits—family members were used because they were better known concerning their reliability and they were more likely to be more trustworthy than a person who was not a relative. The Guru Kits were sent to Rajiv who marketed them in the States while still doing his studies at Michigan State University.

Rajiv Malhotra represents the ideal entrepreneur. The issue is not whether he was successful or not or whether he was a business man, middle man, trader, or inventor. An entrepreneur may or may not be any or all of these things. What made Rajiv an entrepreneur was that he was an innovator. What he did was put together a new combination of existing factors. He did not invent anything, all the ideas were already in place, whether in India or America. What Rajiv did was put existing units together in a unique way and that is what made him an entrepreneur.

From the above it follows that people who have bicultural or multicultural experience are more likely to be entrepreneurial. Thus, migrants and people with extensive contacts outside their realm of influence, are most likely to be entrepreneurial.

The role of the entrepreneur on social behavior is of recent interest and realization in the social sciences. Until 1949 and the publication of Joseph Schumpeter's *The Theory of Economic Development* the entrepreneur was, especially in the neoclassical of economic thought, a rational figure unaffected by external influences in the rational operation of his firm or business. The entrepreneur was perceived as a force for resisting change.

Two works brought about the sudden rethinking concerning entrepreneurs and their place in social dynamics. Joseph Schumpeter saw the entrepreneur as the focal point and key to economic development and growth. Frederik Barth showed the crucial role the entrepreneur can play in non-economic institutions as well as be a key element in determining the direction of social change, or inhibiting the direction of a community or the social dynamics of a community.. Barth demonstrated that entrepreneurial behavior was not limited to the economic realm but could include fishermen or people of any other social institution.

As has been illustrated above, the entrepreneur can be a force for change or stability. The entrepreneur can be crucial in setting the direction of a particular social group or society. In the case of Rajiv Mahotra, he is the ideal entrepreneur. He took ideas from the west, i.e. kits and quest for knowledge of the East, he took items from the East, i.e. wood sandal, beads, instructions in eastern Hindu religion and came up with the idea of something new—the Guru Kit. He did not invent anything, he just created something new out of existing items. However, what he did was novel and innovative.

In creating and marketing the Guru Kit, Rajiv, like other entrepreneurs was a force for change and a force for stability. In India, people saw that Westerners wanted to learn from them. Thus they felt superior and as a result, many did not want to change their living habits. However Rajiv did initiate change in that a new product was being produced in India and they were taking a more favorable attitude towards themselves and their religion.

In the west people like Rajiv were also a force for conservatism. By borrowing and buying western techniques and technology, it reinforced the feeling of superiority westerners felt. Thus they worked from a position of confidence. However, there were a large enough group

of people oriented toward Indian religion and culture in the west that wanted change, thus there were forces pulling or pushing for change.

The entrepreneurial network used by Rajiv were kinsmen, in this case his parents. In the case of many societies, business and economic networks are formed from kinsmen because: a) they are less likely to betray you and b) you have had a closer relationship with them, do you know what you are getting. You are most likely to know the capabilities and deficiencies of a kinsmen.

The above are general observations of entrepreneurial behavior. How it was and is put into practice varies according to many things. As the entrepreneurial and trading routes and networks are discussed below, rest assured that entrepreneurs are responsible for social and cultural change whether the entrepreneurs are specifically mentioned or not.

The export of labor gave the people of India influence in diverse places which resulted in the development of a large entrepreneurial community. for emigrants and immigrants. Migrants generally aid dramatically lead in the development of an area because they quickly exhibit entrepreneurial behavior because they see ways to develop new combinations out of old units or ideas.

What has developed from the Indian Diaspora is not a sum of entrepreneurs, but what Joel Kotkin (1992: 4) terms the "Global Tribes." By this he means a people that:

combine a strong sense of a common origin and shared values quintessential tribal characteristics with two critical factors for success in the modern world: geographic dispersion and a belief in scientific progress. ... Such cosmopolitan groups... do not surrender their sense of a peculiar ethnic identity at the altar of technology of science but utilize their historically conditioned values and beliefs to cope successfully with change.

In the global economy, ethnicity is becoming a defining factor in the post cold war era economy

and global tribes are well suited to function extremely well in the “progressively more integrated world-wide economic system. Thus there are three critical characteristics for a group’s success in the new globally integrated economy:

1. A strong ethnic identity and sense of mutual dependence that helps the group adjust to changes in the global economic and political order without losing its essential unity.
2. A global network based on mutual trust that allows the tribe to function collectively beyond the confines of national and regional borders.
3. A passion for technical and other knowledge from all possible sources, combined with an essential open-mindedness that fosters rapid cultural and scientific development critical for success in the late-twentieth-century world economy (Kotkin 1992: 4,5)

As one looks at the 15 million strong South Asian Diaspora, one can see it is a fast growing cohesive “tribe.” In 1960, it was only five million scattered with only a few thousand unskilled laborers. The vast majority were Punjabi Sikhs living in California and demoralized, as was the case in Mauritius, Fiji, Trinidad and elsewhere. This factionalized community of diverse countries, castes and religions had a unity in their diversity. They descended from a rich tradition s stemming back to the Indus valley at the dawn of human history. The vast majority adhered to some form of the caste system. Hindu mythology pervaded their culture. Being so dispersed world wide broke custom of travel overseas being polluting. The merchant, craftsman and entrepreneur could now come and far as they placed as places outside India as was the case of a river in Fiji being an extension of the Ganges.

India had instituted an exceptional education system that trained a ready core of highly skilled and highly educated professionals, businessmen and entrepreneurs to stimulate trade. In some ways, the emigration of India were unique to the annals of education. They made quick and successful adjustments to the industrial societies in which they entered and consistently lead in

obtaining high levels of technical, management and business education. However, the Indian Institutes of Technology and Indian Institutes of Management, along with other notable higher educational institutions, developed a cadre of highly trained and capable people who were qualified and highly motivated to step into upper level professions, such as doctors and engineers, as well as capitalize on business opportunities abroad, especially in North America and Western Europe as well as sharing their economic gain with India in the forms of remittances, public works, investment and consulting. Not only were those in India well trained, they were familiar with the English language and Western ways. Thus they were capable of immediately or quickly stepping into middle and upper level jobs. Thus, in the United States, people of Indian origin have the highest family income and highest average level of education of any ethnic group, including whites.

However their influence is not limited to work abroad. As one drives through Punjab, Gujarat and Kerala, one can see the results of emigrant remittances in the form of Hospitals, libraries, computer centers, new grain varieties, irrigation pumps, large houses and tractors.

One of the notable achievements spearheaded by emigrant capital and technical knowledge is Hyderabad. Hyderabad became cyber center for the world, replacing the Silicon Valley of California as computer programs could be developed there for a tenth of the cost. The spear head of the endeavor were primarily emigrants who were well educated in technology and unlike American managers, saw an opportunity to maximize profit—a task they have been doing for generations. All they had to do was combine what they had learned from their American experience with what they knew of their homeland and the profit was theirs. Also, members of the diaspora put their in their homeland. About one-third of the total foreign investment in India

since the country's reforms began came from members of the diaspora. Also Indians working in US companies are encouraging them to invest in India.

Around the world, they have used their international networks to be successful in business, trade, agriculture, convenience stores, clothes manufacturing, science, research, motels, education, medicine, research and so on. They are a community that has a unity in their diversity. They are scattered to the far flung corners of the globe. There are several thousand in the Canary Islands off the coast of North Africa. 700,000 in Canada and over a million in Burma, South Africa and the United States.

They are not one cohesive tribe, but are also made up of subtribes according to region, caste and religion. comprised of Punjabis, Gujaratis, Tamils, Keralites and so forth. They work as separate units but when needed, they come together under the Indian or South Asian umbrella.

Families, castes and tribes are dispersed; but, in this age of electronic communications, a brother in Hong Kong invests for his brother in San Francisco. Mountains, rivers, forests, plains and distance are no longer barriers to rapid travel and communication. Nor does emigration necessitate cutting ties with your homeland. Mr Patel is an example, he heads a real estate business in Chicago but flies to his village in Gujarat to fulfill his headman duties there.

Rajiv is a good example of how family networks are used. However, if there are not family members to supply the needed skills or knowledge, outsiders are hired and carefully watched. If deemed worthy, they will be treated very well so their loyalty to the firm is cultivated and assured. Thus, in the US, Asian Indians who own businesses have a good reputation for treating their personnel very well and consequently gaining the loyalty one would expect from a family member. Thus the firm is still like a family, for whether there is a

biological link or not the values, behavior and attitudes of the members, especially in positions of authority and leadership are the same.

Added to this is the advantages a family firm has over other types of organization. In a family firm, things are decided informally, often outside the firm in informal conversation, thus eliminating the need and waste of having meetings on company time, for business issues often dominate the family conversations. Also, family members have an emotional and vested interest in the firm so they work harder and longer hours without extra pay.(Benedict 1968). And, as stated earlier, outsiders are made part of the family to insure their loyalty and devotion as a surrogate family member.

The results of all this is a vibrant diaspora which benefit both India and the host communities. For example, the global real estate investment of overseas indians is \$100 billion (Shah 1989) while individuals like Shashi Jogani turned a \$4,000 profit in one business and turned it into a \$400 million enterprise. Investment into India has been high while the economies of the host societies have benefitted.

Conclusions:

The entrepreneurial networks of South Asia have gone through changes and functions since their inception. However, one major result is the development of a highly educated and professionally trained South Asian Diaspora which not only has brought to their place of residence, but it also has been crucial in the development of the South Asian economy. It is an area where the level of research is still in its infancy.

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