

EVOLUTION OF BUSINESS ENVIRONMENT IN INDIA PART-I

DECLARATION

WE
ARE THE STUDENTS OF OF COLLEGE HERE BY
DECLARED THAT WE HAVE COMPLETED THIS PROJECT
ON EVOLUTION OF BUSINESS ENVIRONMENT IN INDIA
PART-1 FOR THE ACADEMIC YEAR THE
INFORMATION SUBMITTED IS TRUE AND ORIGINAL TO
THE BEST OF OUR KNOWLEDGE.

DATE:.....

SIGN.OF TEACHER

STUDENTS SIGN.

1.....

2.....

3.....

4.....

5.....

6.....

7.....

ACKNOWLEDGEMENT

We would like to acknowledge and extend our heartfelt gratitude to the following persons who have made the completion of this Lecture Notes possible:

Our project guide Mrs. Khurshid Sheikh for her vital encouragement and support. As well as for the help and inspiration she extended.

We would also like to thank our group members, friends and families who have provided us with help up to a large extent.

And to God , who made all things possible.

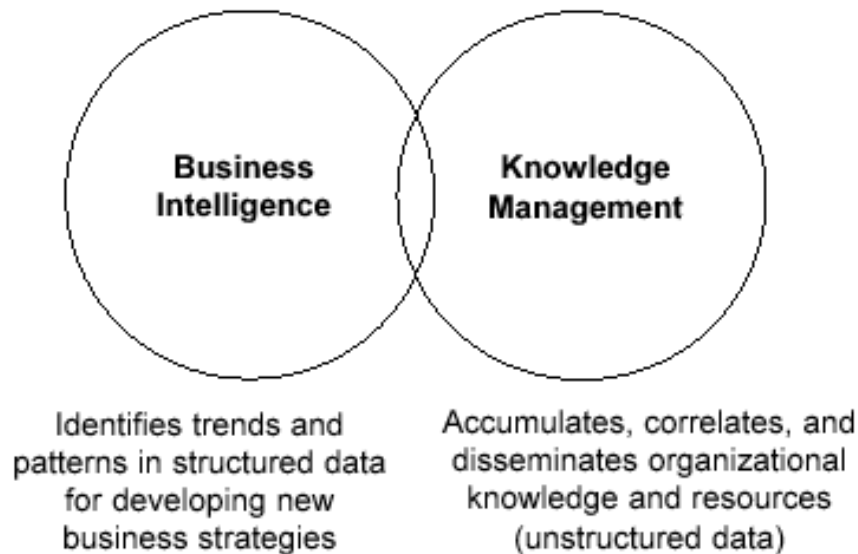


INDEX

SR NO	PARTICULARS	PAGE NO
1	INTRODUCTION	06
2	CASTE SYSTEM IN INDIA	07
3	JOINT HINDU FAMILY BUSINESS	08
4	INDUS VALLEY CIVILIZATION	13
5	MAURYA EMPIRE	14
6	THE ISLAMIC SULTANATES	15
7	THE MUGHAL ERA	16
8	MARATHAS EMPIRE	17
9	PRE-BRITISH INDIA	18
10	CONCLUSION	24
11	BIBLIOGRAPHY	25

INTRODUCTION

Evolution of business refers to origin and growth of business activities over a period of time. Business activities started when people started exchange goods for goods, it started since the days of early civilization around 5000 B.C. Exchange of goods for goods is known as barter system. During those days people produced more food than that they required, this was the beginning of exchange. Barter system cannot be called business because there was no intention of making profits. People exchanged goods with each others only for satisfying needs of each other. Actually business started from the time from the time of Indus valley civilization.

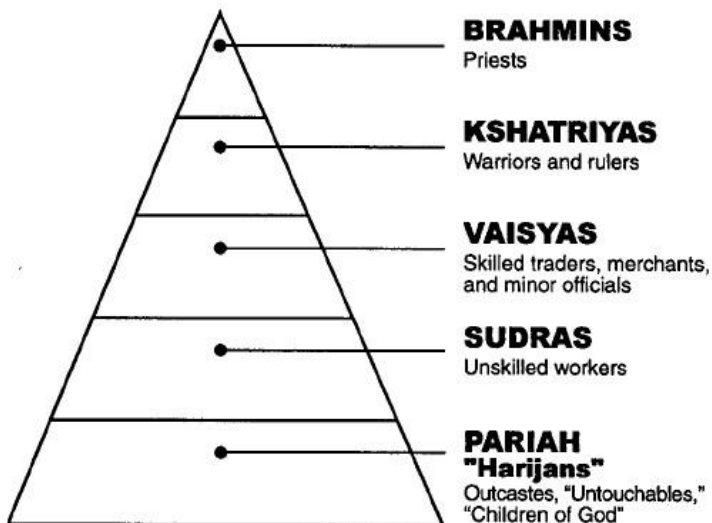


CASTE SYSTEM IN INDIA

Caste system developed in India under the *Aryan* rule over 3,000 years ago. According to *Hinduism* all Hindus are born into a particular caste and sub-caste.

There are four castes which is traditionally corresponding to a profession/occupation in which they are engaged in to:

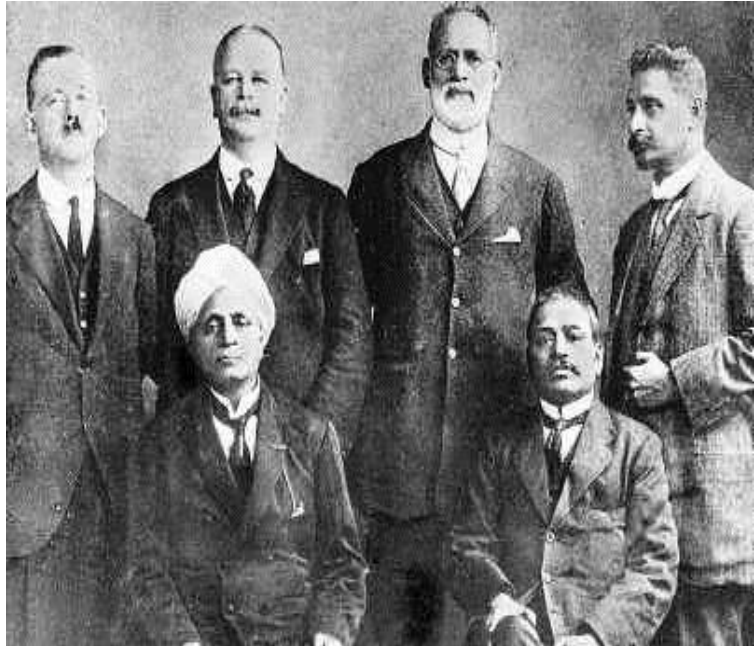
- (1) Brahmins (priests)
- (2) Kshatriya (warrior)
- (3) Vaishya (merchants)
- (4) Shudra (scheduled castes)



The Vaishyas i.e. merchant class is engaged in trade and business activities. Each caste had its own specific occupations in which people were engaged in to and it was almost hereditary. individuals talents, aptitude, enterprising skill and ability were accordingly groomed right from their birth.

JOINT HINDU FAMILY BUSINESS

This type of business prevails only in India. It is according to the prevailing Hindu law. When Joint Hindu Family carries on a particular business from one generation to another generation called as Joint Hindu Family Business. When all the members of a Hindu undivided Family run a business under the control and guide of Karta (the senior-most member of the family), such an association is "Joint Hindu Family Business.



The management of the Joint Hindu Family is in the hands of 'Karta' who is the head of the family. The Karta has full control over the income and expenditure and he acts as a custodian of the family's property. The members cannot question. If they have any difference of opinion than they can demand partition. The liability of the Karta is unlimited whereas; the other members' liability is limited.

FEATURES OF HUF:

(1) Karta:

The elder male member in the family is designated as Karta and he takes all the decisions in the business and looks after its day-to-day management. He is a main part of joint Hindu family business.

(2) Co-parceners:

The other male members of the family are termed as co-parceners. They have no right to take any decisions in the business. There is no entry for women in joint Hindu family business.

(3) Liability:

The liability of Karta is unlimited because Karta is only person who only can make decision so there is a possibility of hasty decision therefore Karta's liability is unlimited and that of the co-parceners is limited.

(4) Management:

The Karta takes care of the day-to-day management of the HUF business.

(5) Inheritance:

On the death of the Karta the next eldest male member in the family takes over as the Karta of the HUF business.

(6) Legal aspects:

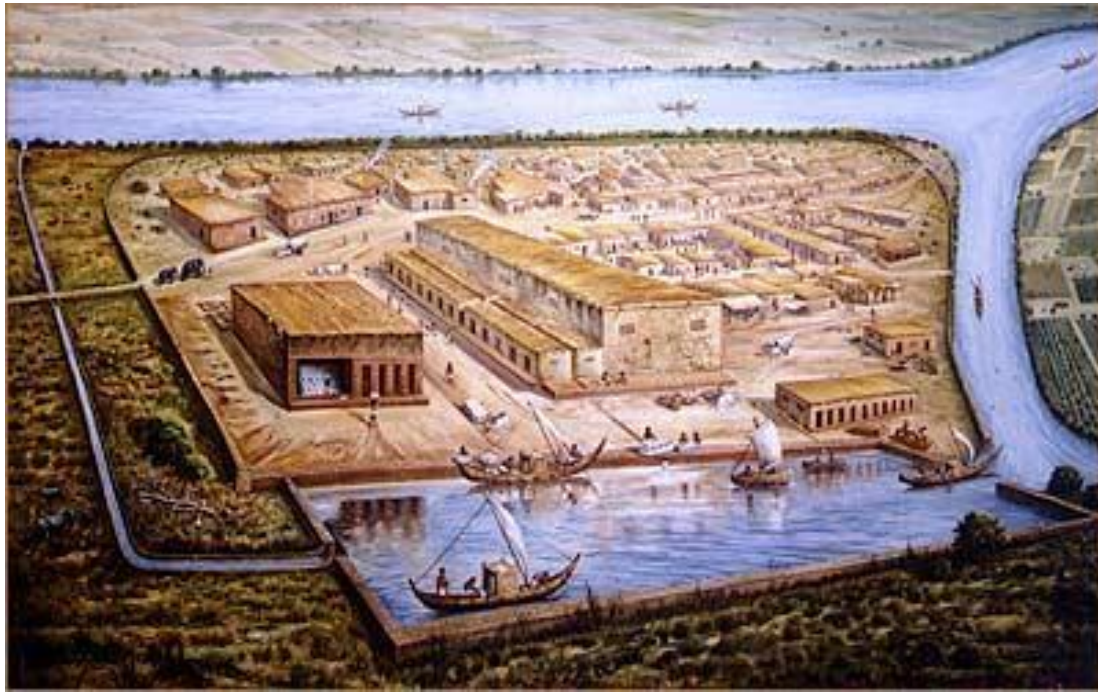
HUF business is regulated as per the Hindu law existing in India.

(7) Women's rights:

Female members of the family (women) have no right on the HUF business or on the property of HUF business.

INDUS VALLEY CIVILIZATION (3300 BC TO 1700BC)

The first know civilization is the Indus valley civilization from where the roots of business actually started. The Indus valley is based around river Indus in modern day Pakistan and northern and western India. Agriculture was the main occupation of the people. They used uniform weights and measures and traded with other cities. Besides farmers, other classes of people such as barbers, carpenters, Ayurvedic doctors, goldsmiths and weavers existed.



2500 BC: Rise of the Indus valley civilization. By 2600 BCE, the Early Harappan communities had been turned into large urban centers. Such urban centers include Harappa and Mohenjo-Daro.

MAURYA EMPIRE (321 BC TO 185 BC)

During the Maurya Empire it was for the first time that India was united under one ruler. This led to building more secure trade routes throughout India. It reduced the risk associated with transportation of goods. Coins were increasingly used as a currency for trade purpose. During this time "Arthashastra" an ancient book on economics, politics and administration written by Chanakya who was an advisor of Chandragupta Maurya. During this period the exports comprised of muslin of Decca, Calicos of Bengal, Shawls of Kashmir, Steel and Iron works, silk and other textiles and handicrafts, agricultural products like pepper, cinnamon, opium and indigo which were exported to Europe, Middle East and South East Asia in return for gold and silver, write, pearls and other valuables



NALANDA UNIVERSITY

THE ISLAMIC SULTANATES (1206 TO 1596)

During this period India was the only known country for diamond mines in the world. Muslim trading communities arrived in Kerala from the Arabian Peninsula through the trade links via Indian Ocean and they settled throughout the coastal South India. During this period organized banking system started in India. Hundis (traditional form of bills of exchange) were widely used in trade. Important centers of trade and industry such as Delhi, Lahore, Bombay, Ahemedabad, Jaunpur and Sonargaon were developed with large population residing in these areas. Export was more than imports and India enjoyed a favorable balance of trade position. Items of exports consisted of silks, gold embroidered silk caps, finely designed clay pots and pans, guns, knives, scissors, sugar, indigo, oils, ivory, sandalwood, spices, diamonds and other precious gems and coconuts. Goods were mainly exported to Syria, Arabia, Persia from Bengal and Cambay. The main items of imports were horses from Kabul and Arabia, dry fruits and precious stones. Ship building industry was developed in the coastal towns.



THE MUGHAL ERA (1525 TO 1725)

In 1526, Babar a Turku-Persian came from the Khyber pass and established the Mughal empire in India which lasted for over 200 years. During this period, India was the second largest economy in the world. The annual revenue of Emperor Akbar's treasury in the year 1600 is estimated at pounds 17.5 millions , as compared to the entire treasury of great Britain in the year 1800 which totaled only pounds 16 millions. In 1617, Emperor Jehangir granted permission to the British East India Company to trade in India. Over a period of time the East India Company with its influence got permits from Mughal Emperor Farukh Siyar for duty free trade in Bengal in 1717. During Emperor Aurangzeb's tenure India become the world's largest economy. Uniform customs and tax administration system was started throughout the kingdom. Mughal emperors and courtiers encouraged artistic products by giving financial emperors and countries encouraged artistic products by giving financial support to the artisans. During this period malbar on the western coast of India become an important center of foreign trade. The items of export comprised of textile fabrics, jewels, embroideries, woven and silk manufactures, indigo, opium and other drugs, peppers and few spices. Items of import consisted of gold, horses, metals such as copper, tin, zinc, lead, quick silver, amber and precious stones. Agriculture was the main occupation of the people in the country. The emperor fixed the land revenue.



MARATHAS EMPIRE (1750 TO 1818)

DURING 1750 to 1775 the Maratha Empire expanded to almost 34% of Indian landscape. The Marathas adopted the tax administration system. Different maharajas were fighting among themselves. Slowly the East Indian Company conquered almost the whole of India.



After a lifetime of exploits and guerrilla warfare with Adilshah of Bijapur and Mughal emperor Aurangzeb, the local king Shivaji the Great founded an independent Maratha kingdom in 1674 with Raigad as its capital. Shivaji died in 1680, leaving a large, but vulnerably located kingdom. The Mughals invaded, fighting an unsuccessful War of 27 years from 1681 to 1707. Shahu, a grandson of Shivaji, ruled as emperor until 1749. During his reign, Shahu appointed a Peshwa (prime minister) as head of government under certain conditions.

PRE-BRITISH INDIA

Before the advent of the Britishers Indian economy was seen like a "GOLDEN BIRD", It was an independent economy with its trade relations extending as far as Arabic nations and Rome. The Indian economy was divided in to various province and kingdoms. The village community and the subjects handled over every year to the ruler or to his nominee a share of the year's produce. India was one of the most advanced county of the world up to 18th century.



FEATURES OF PRE-BRITISH INDIAN ECONOMY

1) Village Self-sufficient community

The village communities were self sufficient small republics owning the land, paying taxes to the rulers and kings. All the artisans in the village were servants of the village community. Such village communities were independent of any foreign relations and trade. The village communities continued as it was in the same form even though dynasty after dynasty and revolution after revolution the rulers changed from the Hindu, Pathan, Mughal, Maratha, Sikh, and finally to the English. The union of the village communities was very strong one. It was functioning on the basis of self-government.

2) Agricultural sector

Indian economy was pre-dominantly an agricultural economy. More than two-third of the male were dependent on land for their occupation and livelihood. Agriculture was either practiced as the main occupation or subsidiary occupation by every villager. Agricultural activities were carried on in a primitive and traditional way using simple agricultural implements such as wooden plough, iron sickle, axe, and leather bag to draw water from the well. Old traditions and practices governed agricultural practices in the village economy.

3) Industrial sector

Indian industrial sector was one of the best in the world. Indian industrial products were well known not only in India but as far as Italy and Rome. The important industrial products manufactured in India were cotton textiles, sugar, dye, silk, gems, carpets enamels and mosaics. Also

agro-based industries manufacturing oils, tobacco, opium and alcoholic beverage flourished in India. Mining industry, iron and steel production and ship building industries were developed in a great way in India. Indian sub-continent exposed exposed to Arabian Sea, Bay of Bengal and Indian Ocean had several shipyards lined around its coastal location. India was self-sufficient in iron ore reserves.

4) Handicraft Industries

Indian handicraft industries in the field of cotton and silk textiles, metal and precious stone works enjoyed a worldwide reputation and markets due to its high standards of craftsmanship and excellent quality of material used. India was an exporter of its handicraft products. India was well known for its artistic industries like marble work, stone carving, jewellery, brass, copper and bell metal wares. Industrial development in India was at par or even much advanced than the industrial development in the European nations. Each handicraft was well organized into a guild. The guilds were governed by their own laws and the ruler was expected to recognize and respect them. Guilds were association of businessman having common objectives and interests which safeguarded the professional interests of its members such as working hours, wages, working conditions etc.



5) Structure of Towns

Towns in India developed amidst villages. Some towns such as Tanjore, Poona, Lahore, Delhi and Lucknow were the head quarters of king and emperors. Towns like Puri, Allahabad, Banaras, Mathura and Nashik gained importance as pilgrimage and sacred religious centers. Also some towns developed near coastal areas as well as on the banks of navigable rivers.

6) Social and cultural condition

The economic conditions of the people in villages were poor and culture influenced their life styles. In urban centers and towns people were relatively rich, mobile and progressive.



BRITISH RULE IN INDIA

Britishers entered India as traders through the route of East India Company and they ruled over India. There exists a direct co-relation between the length of British rule in India and the progressive growth of poverty in the nation. The land revenue system imposed by the Britishers looted not only

from the living but also from the dead cultivators. India was transformed into colonies of the developed capitalist countries like England. The western powers aggressively captured over the entire nation and started looting them. Freedom and independence was snatched from the people. People were



made slaves in their own country and they were forced to work for British administration. India which was admired as a golden bird world over due to its economic development was looted illegally by the Britishers during their rule in India. Indian industries were destroyed. Raw material from India was exported to England and finished products from England was imported to India and sold in Indian markets. Along with Britishers, French and Dutch people also started developing their colonies in India in places such as Goa, Pondicherry, etc. The imperialistic powers like England decided the extent of capitalist mode of production their colonies such as in India. Britishers bribed the king and the emperors and illegally exercised control on their kingdoms. India was made officially a British colony and the British crown took control of India from the East India Company.

India was divided in to three administrative zones:

1. Bengal,
2. Madras,
3. Bombay,

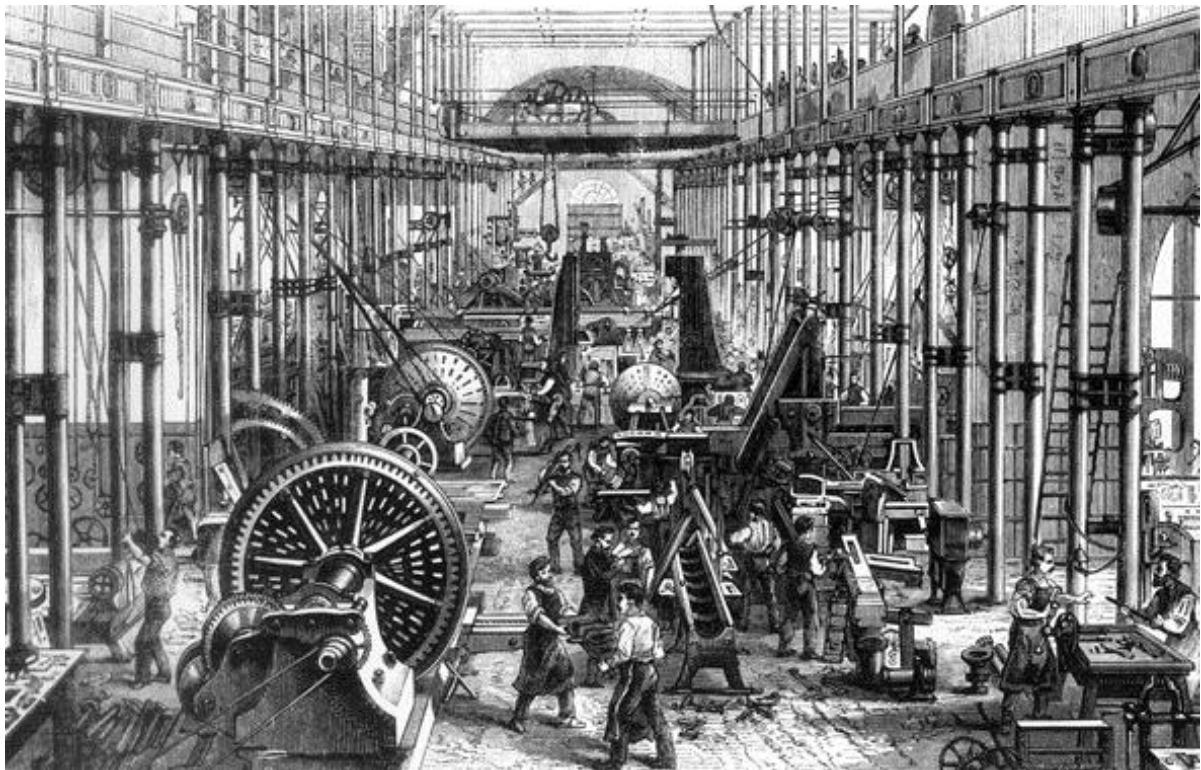
A number of administrative and legal changes were brought in India. In 1861 Indian councils Act, High courts act and Indian penal code were passed. British colonial rule for about 200 years converted India from the richest country in the world to the poorest nation in the world. The economic exploitation of the Indian economy can be classified under three distinct phases:

1) 1757 to the end of 18th century- The Mercantilist Phase.

India Company's trade cum plunder of Bengal began with their victory in the Battle of Plassey. The raw materials needed by artisans were monopolized and they were charged a high price for them. Also the price of the finished products was dictated. The economic plunder of India took place in three main forms: Profit from the oppressive land revenue policy, profits from monopolistic trade and extractions made by the East India Company's officials. Also there was drain of wealth from India to England from 1883-1892 at Rs.30 crore to Rs.40 crore per annum as per the study made by Shri. Dadabhai Nowroji in 1897. The focal point of the "Drain Theory" was that a portion of the national product of India was not available for consumption of her people or for capital formation within the nation, but it was being drained away to England.

2) During the 19th century-period of Industrial Capital Development.

With the advent of industrial revolution in England textile industries developed over there. For the fast growing textile industries in England it needed raw materials and India was made as a supplier of raw materials for the textiles industries in England. Indian industries were destroyed and the artisans were converted to the status of unemployed people. People were forced to take up agriculture for their living. Even there the Britishers looted the poor farmers and cultivators imposing the land revenue system. Stagnation of agriculture, increasing, population, British administration policies towards agriculture, recurring famines resulted in decline of food production in India.



3) From closing decade of 19th century to 1947

Finance capitalism.

Finance capitalism was used by the Britishers for their colonial exploitation. The British capitalists retained a dominant control over banking system and commerce in India. The capital investment was undertaken by the Britishers in two main forms. One is through direct private foreign investment in India in coal and mining companies, jute mills, tea, coffee and rubber plantations and sugar and the second is by way of loan raised by the secretary of state in England on behalf of the Indian Government and by semi-public organizations for investment in railways, ports, irrigation, electricity and other sectors.

If the history of British rules in India was to be condensed to a single fact, it is this- India was reduced to a status of feeder economy for Britain's rapidly growing industrial sector. India was looted and converted from riches to rags-with poverty, illiteracy, unemployment, diseases, famines, war, riots and international conflicts, etc. before finally Britishers left India in 1947. In facts, if India wouldn't have been under the colonial rule then today its status and position in the world map would have been totally different and India would have been the most advanced country of the world.

CONCLUSION

- ❖ India economy was on independent economy before the British rule
- ❖ India economy was termed as a “Golden bird” before the Britishers invasion
- ❖ Britishers entered in India as traders through East India Company and illegally becomes the rulers over India.
- ❖ During the pre-British period, Indian economy was a self-sufficient economy
- ❖ The Britishers looted India’s wealth for more than 150 years and finally left India in 1947 leaving behind poverty, malnutrition, famines, epidemics, slow rates of economic growth etc



BIBLO-GRAPHY

✚ VIPUL PRAKASHAN TEXT BOOK

✚ SETH PUBLICATION TEXT BOOK

✚ WWW.WIKIPEDIA.COM

✚ WWW.Paradoxplace.com

✚ www.bharatadesam.com

✚ www.psenthilraja.wordpress.com



WIKIPEDIA
Die freie Enzyklopädie

