The Great Tradition Globalizes: 
Reflections on Two Studies of ‘The Industrial Leaders’ of Madras 

JOHN HARRISS 

London School of Economics and Political Science 

Introduction 

The title of the paper alludes to Milton Singer’s book When A Great Tradition Modernizes: an anthropological approach to Indian civilization,1 and particularly to Part IV of the book. This has the title ‘Modernization and Traditionalization’ and includes a long essay called ‘Industrial Leadership, the Hindu Ethic and the Spirit of Socialism—described in a review by Richard Park at the time as ‘the capstone’ of the book as a whole.2

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2 Richard L. Park, in American Political Science Review. The inclusion of the idea of ‘the spirit of socialism’ in Singer’s title, reflects his interest in the public culture of Nehruvian India. As he wrote in his notes for a seminar given in the Department of Economics and Politics at the London School of Economics, 1959, ‘The spirit of socialism is the most important thing about these people. It is the only thing that is really new and different.’
Singer’s work, though it does not have the same stature in Indian anthropology as Dumont’s *Homo Hierarchicus*, or the essays of M. N. Srinivas, constituted a major contribution in its time, as a study of Hinduism in an urban context, as a robust refutation of Weber’s views on Hinduism and India’s economic development, and as a critique of the stale old comparative statics of conventional sociological modernization theory. The core of Singer’s argument about modernization is contained in the concluding words of the long chapter that is based on his interviews with (nineteen) ‘industrial leaders’ of Madras in 1964:

[The book is about] how Indians are changing their cultural traditions as they incorporate modern industry and how they are changing modern industry in order to maintain their cultural traditions. Indian modernization is not simply an aping of the West that destroys the traditional way of life, but rather a highly selective process of borrowing and innovation, which seeks to develop and incorporate novel elements into a highly organized and continuing civilization.

Indians, he says, ‘look on modernization as a cultural process of ‘traditionalization’, in which the new is turned into something old, and not as a cultural process that makes something new out of that which is old’. These statements anticipate recent writings, such as an essay on ‘Multiple Modernities’, in which S. N. Eisenstadt argues that ‘The
actual developments in modernizing societies have refuted the homogenizing and hegemonic assumptions of [the] Western program of modernity.\(^8\) Contrary to the presumptions of the sociological modernization theory of the 1950s and 1960s, Singer argued that in Madras there was in fact a subtle and nuanced interplay between ‘tradition’ and ‘modernity’, in which adaptation took place both ways. Further, he argued that ‘the cultural ideology of “traditionalism” [is] one of the major instruments of modernization’.\(^9\) This argument, developed at the same time as the Rudolphs’ on *The Modernity of Tradition*\(^10\) now perhaps appears somewhat commonplace.\(^11\) But it had a critical edge at the time. It derived in some measure—as Mary Hancock has shown—from Singer’s exchanges with the Sanskrit scholar V. Raghavan, who was dedicated to establishing Sanskrit culture as the ideological foundation for Indian nationhood (and later in his life spoke on RSS platforms).\(^12\) As Hancock suggests, ‘Singer and Raghavan were allies in a salvage operation dedicated to uncovering and refurbishing “tradition” in the service of nationhood, modernity and progress’.\(^13\) And indeed, Singer wrote in his notes that he thought that ‘Religion is not only a force for traditionalist conservatism, but also a force for change in Asia as in Europe’.\(^14\) One task for this paper is to explore the extent to which this shared project may have inflected Singer’s interpretations of his research material.

Singer elected to study ‘the industrial leaders’ of Madras because he believed that they were at the cutting edge of modernization—


\(^11\) ‘Commonplace’ especially in the aftermath of writings like those of Hobsbawm, Ranger and others, on *The Invention of Tradition* (Eric Hobsbawm and Terence Ranger, eds), Cambridge: Cambridge University Press, 1983) that Singer’s work can reasonably be seen as having partly anticipated.

\(^12\) Singer acknowledged Raghavan’s influence, for example in a letter of 15 July 1955, when he wrote ‘you have already made a considerable impact on our thinking’ (Singer Papers, Regenstein Library, University of Chicago, Box 40). Raghavan ‘advocated Sanskrit as a national language and claimed that the use of Sanskrit was tantamount to a process of subject formation consistent with modern Indian citizenship. [His] work, moreover, illustrates the ideological conjuncture of official nationalism and Hindutva’ (Mary Hancock, ‘Unmaking the “Great Tradition”: Ethnography, National Culture and Area Studies.’ *Identities*, 4 (1998): 343–88).

\(^13\) Hancock, 1998: 373.

\(^14\) From his notes for a seminar presented in the Department of Anthropology, University of Chicago, in 1967. (Singer Papers, Regenstein Library, University of Chicago, Box 99).
which is inherently associated with industrialization—so that in studying them he would best be able to analyze the constitution of 'Indian modernization'. In the same way it seems fair to suppose that the present day business leaders of Chennai (as Madras is now known) are amongst those most influenced by 'globalization', and amongst whom, therefore, one may hope to study its local social consequences. Certainly they have been very deliberately exposed in their working lives to the pressures of economic globalization as a result of India’s economic policy reforms in the 1990s, and they are both more ‘interconnected’ globally, as a result of their activities and the technologies they employ, and more exposed to the culture of consumerism, which supposedly threatens the homogenization of the world under the dominion of American popular culture, than are most others in contemporary Indian society. Following Singer, therefore, in the early months of 2000, I interviewed 40 of the present-day ‘business leaders’ of Chennai, including members of the second generation, or sometimes the third generation, of the same business families as those Singer interviewed; the Chairmen-Managing Directors of other companies based in Chennai and included in the list of the top 500 Indian companies, by market capitalization, according to the list published by The Economic Times in September 1999; and entrepreneurs in the software industry which is thriving in Chennai and which is at the heart of ‘the New Economy’ in India. I talked with them all at length about the organization of their businesses and the impacts of liberalization and globalization in their firms (and in some cases I was able to follow up these discussions in interviews with managers and workers in their offices and factories); and I

15 I recognize, of course, that ‘globalization’ is a contested concept, variously defined. There is some advantage in the synoptic approach suggested in a recent text on Global Sociology, by Robin Cohen and Paul Kennedy (Houndmills and London: Macmillan, 2000), though it does not take account of the ways in which the processes of globalization bring about disjuncture in social experience. Cohen and Kennedy argue that the process of globalization has six component strands: changing conceptions of space and time; increased volume of cultural transactions; commonality of problems facing all the world’s inhabitants; increased interconnections and interdependencies; a network of increasingly powerful transnational actors and organizations; and the synchronization of all the dimensions involved.

16 I have a knowledge of spoken Tamil but the interviews were conducted in English, given that all of my respondents are entirely comfortable in expressing themselves in this language. Indeed one explained that he preferred listening to religious discourses given in English because he found it difficult to grasp philosophical ideas presented in Tamil. I am sure that he was not alone in this.

17 Note that the great majority of software firms are fully Indian-owned companies. A minority are collaborative ventures with European or American capital.
talked with them, as Singer did, about their families, their beliefs and values and their religious practices.

In this paper, therefore, I offer a further progress report on the process of modernity in south India, some thirty-six years on from Singer’s first report. These two studies of business/industrial leaders of Madras provide a basis for analysis of some aspects of change in south Indian society over the last third of the Twentieth Century, and for tracing the career of Raghavan’s reflexive project, as well as for forming a preliminary assessment, at least, of the local impacts of globalization.

What is Different (1964–2000)?

Much in the business world of Madras/Chennai appears to be little changed. Most of the major companies of Singer’s time are still important today; and the pre-eminence of Brahman families amongst the business leaders of Chennai is as marked as it was in 1964. Amongst his 19 ‘industrial leaders’ Singer found nine Tamil Brahmans (seven Smarta Brahmans, or Iyers; and two Srivaisnava Brahmans, or Iyengars); four Chettiars; one Mudaliar; one Kamma; two Muslims; one from a Gujarati merchant Hindu family; and one from a Syrian Christian family. The nineteen ‘family or other ownership groups’ which I identified amongst the 31 leading companies include: eight Tamil Brahmans (six Iyers and two Iyengars); three Chettiars; three Reddys; one Saiva Mudaliar (not the same as in 1964); one Kamma (the same family as in 1964); one Syrian Christian (the same as in 1964); one Raja and one Marwari. The Brahman-owned family businesses of 1964 have, with only one exception (that of the ill-fated Standard Motor Company), consolidated their positions; and they have been joined by highly

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18 The belief that it is predominantly the Chettiars who run family firms in the South dies hard, however. It is repeated, for example, in Gurcharan Das’s introduction to a recent issue of the journal Seminar devoted to family business (October 1999). A more accurate assessment is found in an article in Business World in 2000: ‘Today of the dozen odd big Chetty [sic] business houses only three survive…’.

19 Singer interviewed in all 19 people, but they included the managing director of a public sector unit and the state Secretary for Industries. His sample included, therefore, 17 private entrepreneurs.

20 The Rajas are a community originating in Andhra Pradesh where they are known as ‘Rajus’. The Rajapalayam Rajas (in Tamil Nadu) have the same gotra (lineage) names as present day Andhra Rajus.
successful new companies, in software products and in chemicals, also owned by Brahmans. The largest single group of the new software entrepreneurs is constituted by Brahmans. This new generation of Brahman entrepreneurs comes generally from a different social background, however, from that of the first generation of Brahman industrialists. Singer referred to the fact that ‘Four of the Brahman families had come from such localities of Tirunelveli District as Kalaidaikkurici and Alvarkkurici, where Brahmans have been noted as traders and bankers for more than 300 years’, and others also come from relatively privileged backgrounds amongst landowning Brahman families. The new generation of Brahman entrepreneurs comes, however, from families of white collar workers, minor officials, or smaller business people in Chennai and in the smaller cities of Tamil Nadu. The software industry, in particular, provides an avenue of opportunity for bright men from modest backgrounds—though backgrounds in which there has long been respect for learning and the encouragement of children’s education. Several of these men told rather similar stories of fathers who had wanted to go further with their own education, but who had not been able to because of family circumstances, and who had struggled hard to ensure that their children (daughters as well as sons) should have opportunities that had been denied to them themselves.

Caste distinctions continue to influence employment patterns and labour markets, too. A high proportion of senior executives is of Tamil, Kannada or occasionally Maharashtrian Brahmans (from families long resident in Chennai), followed by other ‘Forward Castes’ like Kammas and Reddys from Andhra Pradesh. Those in supervisory and middle-management cadres, too, tend to come from the more advanced Non-Brahman castes. These patterns reflect the persistence of long-standing connections between caste background and educational opportunity rather than caste prejudice per se (though one or two business leaders were not ashamed, they said, to admit to me that their’s are still ‘Brahman companies’). Caste differences, however, continue to influence industrial relations, and some personnel managers try to avoid situations in which there are substantial ‘blocs’ of employees from particular castes or communit-

22 It should be remembered that Madras/Chennai has always been almost as much a Telegu as a Tamil city.
ies.\textsuperscript{23} This is in a context in which caste differentiation has become more salient over the recent past—reflected in the formation of political parties in Tamil Nadu by particular caste groups.\textsuperscript{24}

The ‘New Economy’ companies are very different and they have brought in new employment practices and styles of management. Employers and their personnel managers may have no idea as to the caste identities of those whom they employ. Yet my small survey of those working in the software industry\textsuperscript{25} shows that they include disproportionate numbers of Brahmans, because of that same history of educational advantage. The average age of those employed in the industry is 24 or 25; and around thirty per cent of them are women who often, though they usually live at home with their parents, control their own (excellent) incomes. Some of them are amongst the crowds that flock to Chennai’s growing ‘clubland’. Companies have progressive policies regarding maternity leave and there is an expectation that many of these young women will return to work after marriage and the birth of children. My interviews with these young software professionals, then, suggested the development of a stronger sense of that individual autonomy which is held to be characteristic of (Western) modernity, than has emerged hitherto in Tamil Nadu, for the notions both that young women should control their own incomes or return to work after the birth of a child are still commonly frowned upon in Tamil society.

In spite of the persistence of old patterns of labour market segmentation along caste lines, there is evidence of the extension of the idea/processes of ‘disembedding’ that Giddens described as being amongst the underlying conditions of modernity.\textsuperscript{26} This is reflected in the gradual replacement of management systems based, no doubt, on (Fordist) control-compliance mechanisms, but legitimated through personalized relationships calculated to command loyalty, by systems which are represented as being based upon ‘trust’ but which in fact involve disciplinary power (in the Foucauldian sense). And what is acknowledged to be a ‘crisis’ for the family businesses

\textsuperscript{23} A specific instance was in the recruitment of workers for a new factory located in Pondicherry. The Human Relations Director of the company concerned told me that the company turned away numbers of well qualified candidates in order to ensure that one caste community should not be too numerous.

\textsuperscript{24} See \textit{Frontline} March 2 2001, pp. 46–8, ‘The caste of characters’.

\textsuperscript{25} I interviewed 50 employees in five randomly selected software companies.

which still dominate the business world of Chennai as they did in Singer’s day—a crisis occasioned by economic globalization—is slowly working itself out in such a way as to accentuate this idea of ‘disembedding’.

Singer also advanced an important argument about social and religious change. While his criticisms of Weber’s views on the relationships between Hinduism and economic enterprise still appear robust, the key ideas that he developed in trying to explain how his ‘industrial leaders’ managed to combine ‘modernity’ and ‘tradition’—most significantly the idea of ‘compartmentalization’—are all problematic. In what follows, in addition to extending existing critiques of them (notably by David Rudner), I aim to situate Singer’s arguments historically as well as theoretically. Whereas he argued—reflecting, it seems rather likely, some of Raghavan’s ideas—that the industrial leaders’ beliefs and practices reflected what he called ‘an industrial theodicy’ that emphasized ‘philosophical principles, devotional faith and right conduct’ rather than ‘ritual observances and family disciplines’, my informants and acquaintances showed a great deal of interest in and involvement with temple-going and public worship, following ‘god-men’ and gurus, and in the miraculous and ecstatic religion, as well as in the philosophical principles of what is called the ‘Vedic Heritage’ (though more properly described as ‘Neo-Vedanta’). This seemed to suggest that some change had taken place in religious ideas and practices in Chennai since the 1960s. Subsequently, however, I found a passage in one of Singer’s drafts for the manuscript of When A Great Tradition Modernizes which showed that he too had encountered ideas and practices like those that are found quite commonly today. He wrote: ‘There has been a renewal of temple-going, Sanskrit studies, consulting of gurus, [as well as] of inter-caste and inter-sect devotional movements and performances in the metropolitan urban center’. But this passage appears only in his notes for the book and he seems to have chosen to set these observations aside when he proposed the idea of the ‘industrial theodicy’.

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28 The passage appears in notes on ‘Industrial Leadership, Religion and Social Change in Madras City’ (Singer Papers, Regenstein Library, University of Chicago, Box 129). His hand-written notes on his interviews (also found in Box 129) show that he focused on discussion of his informants’ understandings of the philosophical concepts of the ends of life in orthodox Brahminical Hinduism—dharma, karma, and moksha—as well as on their motivations for pursuing business careers.
ity arises, therefore, that, influenced by his perspective on modernity, Singer under-represented the religiosity of the industrial leaders and presented them as being more inclined to secular ideas than was really the case. In fact, I have concluded that there has been change in the religious life of the Brahman or Brahmanized elite of Chennai since the time of which Singer wrote, but I believe that the generational transition has been not so much into religiosity as a change in the form and expression of it. I suggest that these trends in Brahmanical practice have to be interpreted in their complex dialectic with the Non-Brahman in Tamil culture. Pan-Indian concerns, and the possible influence of tendencies associated with globalization, are less immediately important than these distinctly ‘local’ struggles.

The Organization of Business

In his essay Singer first reports on ‘The role of the Joint Family in Modern Industry’ and he is concerned to crack that old canard of modernization theory which held that there is ‘a linear transformation of the joint family into a nuclear family under the influence of urbanization and industrialization’. Only a minority (seven) of those (19) whom he interviewed lived in joint families. But he noted that ‘the move to the city has not destroyed large family households’, and that the businesses were all family firms in which ‘Effective family control had been maintained through a number of organizational devices, the most important of which are to have the company’s affairs managed by a “managing agency” that is owned and controlled by the family’. There was, he argued, a structural parallelism between the joint family and the corporation—‘The ... congruence between joint-family organization and the organization of industrial firms seems at first sight to be so great that one wonders how the opinion of their inherent incompatibility ever got started’—and he sought to show that a modified form of joint

29 My conclusions have been informed by the comments of Dr Sita Narasimhan of Newnham College, Cambridge, and of Dr C. Ram-Prasad of the University of Lancaster, both of whom have an intimate personal knowledge of Madras and of the ‘industrial leaders’ and their families. Ram-Prasad has substantially influenced my understanding and interpretations.
30 Singer 1972: 288.
31 Ibid., 291.
32 Ibid., 297.
family organization was emerging in Madras which constituted a successful adaptation of 'tradition' to the demands of industrial modernization. This is an argument which has been adumbrated more recently by Jack Goody, who points out that 'Familial recruitment and participation may have its disadvantages but it also has its positive features, not only in raising private capital, but in maximizing trust, loyalty and long-term planning over the generations, as well as in motivating the entrepreneur'.

Almost exactly the same thing was said to me by Dr Reddy, the founder of India's first corporate hospitals, whose four daughters are the senior managers of Apollo Hospitals Ltd.)

Yet it is now widely held, by those involved, as well as by observers, that Indian family business is 'in crisis'—to the extent that three of the Chennai-based family groups have been providing financial support for the convening by the Confederation of Indian Industry of an annual 'Family Business Conclave', of which the second meeting was held in Bangalore in March 2000. These meetings, facilitated by John Ward, a professor specializing in family business from one of the top US business schools, have been attended by members of family businesses, including some famous names in Indian business, and they have specifically addressed the participants' sense of there being indeed 'a crisis' for their businesses in the context of India's economic reforms and of globalization. The crisis is reflected in the declining fortunes in the stock markets of India's most famous businesses—those of the Tata family, the Birlas, the Thapars and the Goenkas—in the 1990s.

To the recurrent problems of many, if not all family businesses, which have to do with the relations between generations and the so-called 'Buddenbrooks' Phenomenon' (from Thomas Mann's novel which describes the saga of three generations of a family business: 'first generation builds, works hard and makes

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34 The *Economic Times* reported, for example, that 'Bourses signal gloom for family biz': 'The harsh truth emerging from the floor of the bourses is blowing away the last bit of hope for India's family owned businesses. The New Economy is steadily taking over the mettle from the Old Economy is a reality.... The family owned businesses have performed poorly in the bourses, but worse they are failing to steer investors' interest. In contrast, the multinational corporations and the professionally-run Indian companies not only have succeeded in raising their market capitalisation through price accretion, but have added to their investors' base too.... The average market cap of the Tatas declined by 43.5 per cent [between January and August 2000]. A. V. Birla group witnessed a decline of over 28 per cent and the Thapars 36.6 per cent' (21 August 2000).
money, second generation consolidates, but looks for power; third generation consumes and enters the arts')\textsuperscript{35} there have been added new pressures that have to do with the much more competitive environment in which Indian industry now operates. The problem is that which was summed up by the head of one of the major family business groups when he said to me that ‘In thirty years of my career in business I never knew what competition was. We have been complacent’. There is a great deal of urgent talk about the need for ‘professionalizing’ management, though whether this will resolve all the problems affecting family business is doubtful. Neither is this really a new problem. It was already identified as being an issue in a book by Allan Cohen based on research conducted, like Singer’s, in the 1960s.\textsuperscript{36}

Many of the older men amongst the present-day business leaders grew up in large joint families, but the younger ones come from quite small families (the largest included six siblings; the modal number was three), and they themselves have, at most, three children. The trend toward smaller families, and the active interest of industrial leaders in family planning was already noted by Singer (1972: 290–91). Few actually live any more in a joint family—I am certain of only one case—though many have separate houses in the same compounds as their brothers, or houses on adjacent plots. And as Goody notes: ‘In comparison with the West the extended family, the offspring of common grandparents, plays a greater part in everyday interaction [in India], sometimes as a Hindu Undivided Family, normally in less formal ways’.\textsuperscript{37}

With only three possible exceptions all the firms in my sample might be described as being ‘family businesses’ in the sense that the promoters or their families continue to own large, generally controlling shares in the companies. Yet, as several pointed out to me, what does it really mean to talk of a ‘family business’, when there is so much diversity amongst the companies which are so described? Amongst the Chennai-based companies from the Top 500 there are represented seven major family groups (which together account for

\textsuperscript{35} It has to be said that the Buddenbrooks’ phenomenon has afflicted South Indian business much less than it appears to have affected the business elites in other parts of India. It is argued, speculatively, that this is a reflection of the closeness of kinship connections in South Indian families.

\textsuperscript{36} Allan Cohen, Tradition, Change and Conflict in Indian Family Business (The Hague: Mouton, 1974).

\textsuperscript{37} Goody 1996: 151.
18 of the 31 companies that I identified), and six of these seven groups have dominated the private sector in Chennai since Independence. Two groups have historic and kinship connections but each is owned substantially by a separate family and controlled by a single individual; two belong to groups of brothers who share control; six are effectively controlled by individuals—three of whom have broken away from brothers; one is a joint venture by two unrelated Indian partners with a Japanese major; one is a public company, started in 1992 by a group of young professionals, from modest backgrounds, who are determined to take on the established companies and beat them; and there are two MNC-owned firms. There are important differences between families in terms of the extent to which continuity of family ownership is a major concern for them. On the one hand there are those for whom family ownership (or ‘trusteeship’, they are likely to say) is an extremely important value in itself. On the other there are a number of those who are running family businesses in the second or third generation who now express very little of this kind of emotional commitment. One said frankly that his own children displayed neither talent nor interest so far as business is concerned, and that it mattered much more to him that the wealth he had built up should be well managed in future than that it should remain in the family.

Although the ‘New Economy’ companies in the software industry (and new firms in the chemicals industry) can be described as ‘family businesses’ in the sense that the promoters (and, usually, their wives) continue to own large shares in them, none of them is run like the ‘Old Economy’ companies. They are moving much more quickly to raise capital through the stock market; they involve professional managers at an early stage; they commonly involve partnerships with US or European firms, but in which the Indian firm is usually the controlling party. There is no expectation at all on the part of the promoters that they are starting businesses that will be held in the family over generations; and they are much more likely to say that they do not wish their children to follow them into the business than the reverse. India’s currently most successful software companies, Wipro, Infosys, Satyam and, in Chennai Pentafour/Pentamedia, though they are very strongly associated with their founders (now ranked amongst the wealthiest men in the world), are not ‘family businesses’.

The ‘crisis’ which businessmen in the ‘Old Economy’ themselves refer to affects mainly family businesses that are in the third genera-
tion and are looking to the fourth, or are now getting into the third generation, and in which there is a number of male siblings in each generation. For these businesses there are acute problems of coordination and of collective action even when they are not exacerbated by personal animosities. The point is made by the contrasted case of the Rajapalayam family which has two companies in the Top 500—Madras Cements and Ramco Industries—and in which there was one son in the second generation and only one son again in the third. The family has invested in a major way in technological improvements in its old core businesses, spinning mills and cement factories (it owns what is believed to be the most energy efficient cement plant in the world), and the son of the present head of the family has been encouraged by his father to use one of the companies as—in his own words—a ‘milch cow’, for funding an adventurous, risky enterprise which is dedicated to producing software products. It is very difficult to imagine such a development taking place in a family with a lot more ‘owners’ around. Securing agreement amongst a group of people for the kind of venture that is involved here is extremely difficult, and liable to provoke conflict. This helps to account for the kind of inertia which is displayed by a good many older family businesses, and which makes it very difficult for them to respond to the new circumstances of the liberalizing economy. TVS, the largest Chennai-based industrial group has the potential, in the estimation of members of the family, as of independent analysts, to become a globally competitive company. But this would almost certainly mean concentrating on particular industrial processes in which the group has a comparative advantage, and getting out of a number of areas of business in which it has historically been successful—in the Indian market. Family members who control group companies in these areas of business are understandably reluctant to concede ground to their siblings and cousins. Interestingly this group, which has been bitterly divided—though not to the point of splitting—for more than twenty years, has taken the lead in bringing in the American business school professor, John Ward, in order to try to develop a system of family and corporate governance which will enable them to tackle the problems of achieving global competitiveness.

But there are other factors involved, too, in accounting for the inertia of family business. Firms have a poor record both in product

38 It should be noted that Indian software companies, even the very big and commercially successful ones, mainly supply services, not products.
and in technological development. They have been able to shelter in what Suresh Krishna of the TVS group refers to as ‘the golden cage’ of joint-ventures with foreign companies that have supplied technology in order to secure a small foothold for themselves in the Indian market.\(^{39}\) They have been sheltered, too, from pressures for transparency and efficiency because they have not had to rely on the stock market in order to raise capital. Amalgamations, one of the five largest business groups in Chennai has an annual turnover now of more than Rs 3000 crores (around 7000M dollars). It includes 37 companies but only three of them are listed on a stock exchange. They are owned, through an elaborate set of cross-holdings, by a holding company in which there are only five shares, belonging to the wife (now deceased) and the four children of the founder of the group. Set-ups like this one make for a lack of transparency in corporate governance that will increasingly inhibit growth.\(^{40}\) Underlying all these conditions are the effects of the long history of the highly regulated and protected industrial economy of India which also meant that, as one of those whom I interviewed put it, ‘The way to make good profits was to invest in securing licences’—though Madras-based companies were not particularly adept at this\(^{41}\)—and firms were very often not subjected to much competition at all (as Cohen reported in his study in 1974).

The question of the moment, therefore (the subject of the issue of the journal Seminar for October 1999), is: ‘Can a family-run business survive the competitive demands of the post-reform scenario? Can they overcome their historic weakness?’\(^{42}\) This writer argues that

\(^{39}\) ‘Golden cage’ because these relationships have enabled family companies to make good profits in the protected Indian market without having to invest in product development. Now, in the liberalizing economy, the foreign partners have little interest in seeing the Indian companies develop, but are more likely to aim to set up on their own. This has happened, for example, to Laxmi Machine Works Ltd, India’s largest manufacturer of textile machinery, and once one of the country’s most successful manufacturing companies. LMW’s Swiss partner has preferred to set up on its own in Coimbatore, since 1991, rather than putting more into the joint-venture.

\(^{40}\) I think this is not just a fashionable shibboleth, though it is true that so long as groups like Amalgamations can raise capital from financial institutions they may be insulated from the pressures which are experienced by companies which raise capital on the stock exchange.

\(^{41}\) The present head of one of the leading groups said to me that entering into the licence game was in conflict with the values of the family and that they missed out in the 1970s and early 1980s in consequence. TVS companies experienced difficulties, senior members of the family say, for the same reason.

the possibility of the imminent demise of family business is exag-
erated; and he points out both that ‘family firms are not necessarily
bad’, and that they may have a strong comparative advantage in
some areas of production (he, in common with quite a number of
businessmen themselves, cites Fukuyama’s book on Trust as an
authoritative source on this point43). But, he says:

Indian family companies also have clear and numerous weaknesses. The
four most important ones are: an inability to separate the family’s interest
from the interest of the business; a lack of focus and business strategy; a
short-term approach to business, leading to an absence of investment in
employees and in product development; and insensitivity to the customer,
largely because of uncompetitive markets, but resulting in weak marketing
skills.44

These problems have arisen, according to Das, for two underlying,
 connecting reasons. The first is the history of the ‘licence-permit raj’
that created the uncompetitive conditions to which he refers here.
These gave rise to lack of concern for quality or for customer-
service—it was the time of what one executive refers to as the ‘hand-
kerchief on the seat’ culture, or in other words the needs for cus-
tomers to ‘book’ their places in the queue, in circumstances in which
producers were frequently able to dictate delivery terms. One firm
now supplies within a month from the receipt of an order, electrical
equipment made in exactly the same way as before, to which it previ-
ously attached two-year delivery schedules. Having a near-monopoly
position in the Indian market it was in a position to dictate terms;
and this is no longer the case. These conditions, in which prices were
determined on a simple ‘cost plus’ basis also allowed for over-
manning and made for lack of interest in product or in technological
development, and for business expansion by means of diversification
into a series of un-related lines. The second, connected reason for
the fundamental weaknesses of Indian business, is the ‘fact’ that
‘The Indian business world is still largely feudal where the owner
centralizes decisions . . .’.45 Das, himself an experienced senior busi-
ness executive, thus identifies the same problems that were meticu-
ously analyzed by Cohen in the 1960s.

Cohen identified a nexus of problems surrounding what he refers
to as the ‘informality’ in Indian family business and its reliance on

43 Francis Fukuyama, Trust: The Social Virtues and the Creation of Prosperity (London:
44 Das 1999: 17.
personal loyalty and on seniority/"experience" rather than on technical competence. He found in the firms that he studied that there were frequently problems over decision-making because of the need to refer back to senior family members and the corresponding lack of authority given to managers. There was, he thought, a self-reinforcing cycle in which low trust by the family in non-family executives became a self-fulfilling prophecy. Perceiving this lack of trust, executives failed to identify with the family or with organizational goals, giving rise in turn to puzzlement or disappointment in the family, and confirmation of their lack of trust in outsiders.

The 'second generation' business leaders of Madras clearly recognize this syndrome. Suresh Krishna's highly successful company, Sundram Fasteners Ltd— it is one of rather few Indian engineering firms which can claim to be 'world class'—illustrates the positive sides of the 'personalized' business. The company was started thirty-five years ago and has never lost an hour of working time due to industrial disputes. There was a period in the 1970s when all the other major companies in the TVS group—of which it is a part—experienced prolonged strikes; but Sundram Fasteners worked three shifts, as normal, throughout this time. In the last ten years the company has gone through a huge amount of change, in the pursuit of excellence, without major difficulty. Both managers and ordinary operators alike put these achievements down to 'the Chairman'. Workers say: 'The Chairman explained what we had to do and why. So we did it'. Managers concur that change has been possible because of the very high level of trust that obtains between employees and the Chairman. He himself says 'Trust is the key. You have to get your people behind you'. A young manager puts it that 'In this company you don't command. You have to request. All you can command is respect'. Krishna is understandably proud of the extent of trust in the company, and both he and his senior managers put it down to his close personal involvement with workers and their families, and a long-standing policy of transparency and openness. As a result, says a recently appointed personnel manager, the company has always been 'relationships-based' rather than 'systems-based'. Suresh

46 I use real names here, with permission.
47 Krishna addresses employees in all Sundram Fasteners plants several times a year, at big open meetings. In some other companies in Chennai CEO's—by their own accounts—would run a marathon before exposing themselves in this way. Such meetings would rapidly degenerate, they believe, into fora for the mobilization of 'demands'.

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Khrishna sees himself as having exercised ‘traditional’ authority. Hindu culture, he argues, is hierarchical and patriarchal, and there is immense respect for seniors and for authority. People actually look for ‘parents’. He stands, therefore, in *loco parentis*—he is a self-consciously benevolent paternalist. But Krishna has clearly recognized the dangers which are inherent in the extent of personalization of relationships within the company and he has sought increasingly to draw back and to promote his professional managers. The successful introduction of TPM—Total Productive Maintenance—in the firm may have depended considerably upon the Chairman’s authority, as managers argue, but it has actually brought with it a powerful shift towards greater reliance on ‘system’. The company is gradually—and not without some strains in the older plants—coming to depend less on personal loyalty and trust and much more on *confidence* in transparent and negotiated systems and procedures. The change is reflected in the recruitment policies adopted in newly established plants. Whereas in the past, in Sundram Fasteners as in most other Indian companies, recruitment depended heavily upon personal recommendations, it now involves an open, transparent and competitive process in which even the recommendation of the Chairman himself is studiously ignored.

To a greater or lesser extent other old family businesses in Chennai are treading the same path. In another of the leading groups (including 32 companies) family members have now withdrawn from operational management of ‘their’ companies. The CEO of one of the companies, which was managed directly for fifteen years by the current head of the group, says cheerfully ‘S____ is non-existent. I run this company—though until last year he had his office next door to mine’. This company, too, places a high premium on ‘transparency’ in management, and has deliberate policies of ‘inclusion’ of all employees—but in the context of strong systems and procedures which have been directed specifically against the abuse in the past of ‘managerial discretion’. The company has been quite ruthless about stopping petty corruption (‘middle-class crime’) by managers (a respected senior manager was recently dismissed for charging an air fare when he had in fact made a journey by rail, as a junior employee reported to the CEO), just as it has been uncompromising in wearing down union power. In another group there is a similarly self-conscious and deliberate attempt under way, in a programme of ‘Renewal’, to replace personalized family management with ‘systems’, rules and procedures, under the direction of professional man-
agers. In this group, also, the family members now restrict themselves to longer-run strategic issues, and they were hardly mentioned in my many meetings with managers and operators in the group's companies.

These, and other family firms in Chennai (though not all of them, certainly), are striving, therefore, to achieve what the business school professor John Ward identifies as the potential synergy between family and business. At the Family Business Conclave that he orchestrated some family businessmen expressed the view that 'In the final analysis the needs of the business have to come before those of the family', while others argued exactly the opposite, because 'Without the family there is no business', or because of the strengths of the family-based enterprise in terms of commitment and loyalty. Ward tried to show that there need be no conflict between family and business and that there can rather be powerful synergy between them, under certain conditions. These conditions are reflected, he suggested, in four key questions:

Can I contribute to the family mission without being an owner?
Can I be an owner without being a manager?
Can I be a member of the family without being an owner?
Do we have a family even without a business?

If the members of a family can answer 'yes' to all these questions, he believes, then they have the foundations of what might be called 'an enterprising family'. Families that have been successful in business over several generations, he argues, are generally families that have some sense of a 'mission' which is not exactly co-terminous with business success; and that are ready to devote considerable effort to 'managing the family', not just the business. They usually have carefully worked-out systems of governance which include family meetings or family councils which are not the same as business meetings or boards, as well as boards of directors (of companies) including

48 The Chennai-based English language daily The Hindu reported on 29.8.2000 of another important family group based in Chennai: 'In what is seen as a logical move to align itself with the emerging competitive environment, the Chennai-based Rs 1100 crore Sanmar group has de-linked the ownership from the operational management... Mr Sankar [CMD] rationalized “There is a tendency to centralize decision-making around me and Kumar [his YB] as long as we are involved in the operations, no matter how much we resist it. The current step is, therefore, to clearly distance ourselves with operational management and put the authority and the responsibility in the hands of managing directors”.'
outsiders as well as family members. They show a strong sense of ‘trusteeship’ rather than of ‘ownership’. In other words they do not rely on intimate social relationships but rather on a deliberate extension of bureaucratic principles into the family. Amongst some of the family businesses of Chennai these ideas are being actively discussed, and though only one of the Chettiar groups has gone very far down this road, the notion of ‘trusteeship’, at least, is widely encountered, and the professionalization of management has gone a long way—though mainly in the very recent past—in the years since Cohen and Singer did their research.

Economic liberalization and globalization have certainly triggered off a great deal of change, therefore, in the business world of Chennai. A whole new generation of businesses is growing up which are not family-led as were those of the earlier generation; and in the software industry they have brought in radically different employment practices and styles of management, as might be expected of an industry which requires highly trained, professional staff who are in short supply. Meanwhile, family businesses in the Old Economy are changing so that they are no longer so dependent as they were on personalized relationships and loyalty but rather on ‘system’ and professionalism. Organizational change of this kind has often been accompanied by restructuring and industrial re-engineering, in which many jobs have been lost. One MNC-owned factory in Chennai, for example, employed over 4000 people as recently as 1996. Numbers are now down to 1200 and will soon be reduced by another 400. Meanwhile production from the factory has increased. Managers expect that within a few years the factory will employ no more than 250. In another major Indian-owned firm numbers have come down (over a longer period) from upwards of 5000 to rather less than 2000 while production has similarly expanded; and to my knowledge there are very few indeed of the older firms which have not retrenched employees, using the instrument of Voluntary Retirement Schemes.

It is too early to say whether Das’s question about the prospects for the survival of family businesses in the environment created by economic liberalization, can be answered in the affirmative, or not. The changes which I have described as taking place in a paradigmatic fashion in Sundram Fasteners Ltd seem to reflect a radical disjunction with older, personalized styles of management, and they might be seen as showing an extension of the process of ‘disembedding’. What I have referred to as a shift from ‘personalized relation-
ships' to 'system' is a kind of 'lifting out' of relationships from local contexts of interaction (which is how Giddens defines his notion of 'dis-embedding'); or, in other terms, it represents an extension of the rationalizing principles of bureaucracy, and the deepening of modernity.

There is a curious paradox here because according to the rhetoric which is subscribed to enthusiastically by some of those who run companies in Chennai, the trend is away from 'control-compliance' models of business organization (built up around old-fashioned Taylorism/Fordism), to 'trust-based' organizations, involving devolution of responsibility, and participation. Some of those who expound these ideas clearly recognize the irony that the shift cannot be isolated from the existence also of 'fear' amongst employees in a climate of retrenchment on the scale I have mentioned, which has greatly reduced union-resistance. The rhetoric conceals the reality, which is that the new 'religions' of Indian industrial managers, drawn mainly from Japanese exemplars—religions like 'Total Productive Maintenance' (TPM) and 'Total Quality Management' (TQM)—involve measurement quite as careful as anything that F. W. Taylor ever envisaged, and pervasive surveillance, even if employees are themselves drawn into the surveillance system through team-working and practices of continuous quality assurance. The shift from hierarchical control-compliance systems, embedded in personalised relationships which are intended to secure system legitimacy, to ones which are characterized rather by confidence (not 'trust') in 'expert systems' is real enough. But such management approaches as TPM and TQM exemplify the kind of disciplinary power that works not from the outside but from within. For example, a common feature in industrial re-engineering is the establishment of 'cellular' production in which small teams carry out the entire production process in relatively small batches. Team members are able to carry out most, or often all of the different tasks which are involved (they are 'multiskilled' in this limited sense); and they are able to adjust quickly and to control for faults whilst the work is in progress. The whole process is symbolized in the 'route cards' which follow particular batches in production. I found in interviews with operators in these re-engineered systems that they seemed actually to like the route cards because these help to make their work more meaningful. As managers put it, the cards help to build a sense of ownership of the product amongst operators which is lacking in the kind of production systems that involve large batches and a more rigid division of
labour. But at the same time operators discipline each other, especially in those cases in which payments are partially determined by team performance. Industrial re-engineering, and management approaches like TPM and TQM represent finely developed disciplines in the Foucaultian sense:

Disciplines work within local domains and institutions, entering into particular social processes, breaking them down into separate functions, rearranging the parts, increasing their efficiency and precision, and reassembling them into more productive and powerful combinations.49

This might well be a description of what is involved in Total Productive Maintenance. The same author goes on to note that these methods produce the modern individual:

... constructed as an isolated, disciplined, receptive and industrious political subject. Power relations do not confront this individual as a set of external orders and prohibitions. His or her very individuality, formed within such institutions, is already the product of those relations.50

There has been a great deal of change in business organization, therefore, in the period since the Indian economy started to become more integrated into the global economy; but the changes that I have described, at least, connote the deepening of modernity rather than an altogether new phase of 'social transformation' associated with globalization.51

I have focused here in particular upon the notion of 'disembedding' as a determining feature of modernity, and I have suggested that there are ways in which globalization has extended this process in Chennai. But that is not the whole story, by any means. In the industry which, more than any other, typifies this epoch of globalization—the software industry—much depends on a kind of 're-embedding'. As one entrepreneur put it to me: ‘Everything in this business depends upon contacts and connections’. While one aspect of the industry exemplifies the ‘changing conceptions of time and space’ which are characteristic of globalization—reflected in the integration of Chennai-based production into Boston or Los Angeles time, or the way in which ‘Vodaphone Roadwatch’ which regularly interrupts the Classic FM radio channel in the UK, is managed from

50 Ibid., 93.
51 In this sense my findings correspond with the general arguments that Giddens advances in The Consequences of Modernity (op cit.).
Chennai—it is also highly dependent upon personalized relationships. Even the most successful firms like Wipro depend heavily upon a small number of clients, and in most cases these are companies in which the software entrepreneurs themselves, or their senior managers formerly worked as consultants. Personal contacts—‘Who You Know’—are extremely important in this most globalized of industries. The significance in this industry of social networks of Indian Institute of Technology graduates or of former Tata Consultancy Services staff members—for example—which span India and the United States, especially, and Europe and Singapore too, shows up the historical contingency of ‘disembedding’. But ‘connections’ do not substitute for technical competence, and Chennai-based software firms have been particularly active in securing formal international recognition for quality. This is not a sufficient condition for success but it is clear that the intention of the firms over the longer run is actually to reduce their reliance on personalized relationships in a rather similar way to the Old Economy firms.

Beliefs and Religious Practices

Generally, Singer says, he found that the industrial leaders of Madras conformed with the self-description which one of them gave of himself: ‘a fellow who is not an orthodox Hindu but who believes in the essential tenets of Hinduism’. Only two of them expressed any sense of a conflict between their roles as businessmen and as ‘Hindus’. Rather did they feel, as one said, that ‘The strains and stresses of modern life is, if anything, returning people to tradition for guidance’. Much the same thing was being said thirty-six years later—as it probably has been, from time to time, throughout this period. The news magazine Outlook, for example, had a cover feature in its issue for August 21, 2000 on the theme ‘God is Back’, in which it was said that: ‘the religion that has been revived is... very need-based... it caters to one’s craving for security, peace, even belief... The new spirituality is just as much about material wellbeing as it is about spiritual health. It promises to endow its followers with inner peace, satisfaction, harmonious relationships in the private and public spheres and good health’.

Singer suggested, however, that the ‘industrial leaders’ of his day managed the relationships between their personal lives in which religious belief continued to be extremely important, and the business
world, by ‘compartmentalizing’. The core of this idea, partially expressed to him by some of those with whom he talked (though universally rejected by the businessmen with whom I discussed the idea, one of whom, certainly, had read Singer), is that ‘business and religion are distinct and separate spheres . . . “separate” both in the sense of a physical separation of the two spheres and in the sense that different norms of behaviour and belief were appropriate to the two spheres’.  

This ‘compartmentalization’ is associated with the relaxation of ritual observance in the work sphere (or what Singer calls ‘ritual neutralization’, seen most clearly in the direct involvement of high-caste Hindus in the tannery industry, if not directly in the physical activity of tanning)—which does not, however, imply the existence of a linear trend towards ‘secularization’ or ‘rationalization’—and with ‘vicarious ritualization’. By this Singer meant a way of coping with the demands on time made by holding an industrial job through substituting abbreviated religious rites. Though they might spend less time in worship than orthodoxy requires, Singer’s informants told him that ‘the worship is no less’, and they were reinforced in this belief by the views of some of their religious teachers. ‘Vicarious ritualization’ was also reflected in increased expenditure on some ceremonies, the employment of religious specialists and in support by business leaders for religious institutions and charities. The industrial leaders, Singer thought, managed the relationships between their business activities and their religious practice by these means. The suggestion in this account of change in order to accommodate the new pressures of modernization is, however, rather misleading. There is abundant ethnographic evidence showing that ritual observance is frequently relaxed even in agricultural work, while such practices as ‘the employment of religious specialists’ and ‘religious gifting’ also have a long history—the former at least going back to ancient times. The point, however, serves to confirm Singer’s conclusion that the industrial leaders were not ‘westernizing’—certainly in any comprehensive way—and that most of them were not ‘secular’ people. Rather they did incline to reinterpreting their religion so as to have created, Singer suggests, an ‘industrial theodicy’. With few exceptions they could be described as ‘this-worldly ascetics’,

52 Singer 1972: 320. In a letter to Michael Ames of August 15 1969 Singer wrote: “Compartmentalization” is a preliminary cognitive classification or separation which permits other adaptive strategies such as “vicarious ritualization” and “ritual neutralization” to operate and eventually to produce a coherent world for the actor (Singer Papers, Regenstein Library, University of Chicago, Box 102).
working hard with complete absorption in and dedication to their jobs. The core of the argument is this:

... by redefining the 'essentials' of Hinduism, and extending its tenets to industry [the industrial leaders] have been able to 'modernize' Hinduism without secularizing it, or at least without losing their cultural identity as Hindus. For them 'the essentials of Hinduism' consist more in a set of beliefs and a code of ethical conduct than in a set of ritual observances. In this sense, the effect of industry is to change the traditional conception of the essentials of Hinduism from an emphasis on the correct ritual observances and family disciplines to an emphasis on philosophical principles, devotional faith and right conduct.\(^53\)

The argument may well have reflected the influence of Raghavan's ideas—on how religious tradition could serve the needs of the modernizing project of the Nehruvian state—on Singer's own thinking. But it also shows up the influence in Brahman and Brahmanized families (overwhelmingly predominant, remember, amongst Singer's respondents) of the Tamil renaissance of the late nineteenth and early twentieth centuries that had created a sense that the sophistication of Tamil high culture lay partly in emotional restraint and intellectual high-mindedness. This they consciously tied to the modernist paradigm of the Nehruvian state, though without ever displacing the religious life. The historically deeply rooted tendency amongst high caste Tamils towards secluded religious exclusivity (in matters of ceremony and ritual) could be reinterpreted in a modernist way to represent the private nature of religion. This cleared the space for a public sphere evacuated of religious sensibility, and the secular mindedness that Singer hints at and which is attested by other observers of Madras in the 1960s.\(^54\) It also had the advantage of reaching an accommodation with the aggressive anti-Brahmanism of the Dravidian Movement in the 1950s and early 1960s, accepting the view that public life was to be 'rational'.

Singer's conclusion, however, about the 'industrial theodicy' constructed by the industrial leaders was that it reflected 'modernization' without 'secularization', by means of the cognitive device of 'compartmentalization'. This appears to be a concept designed to solve a problem created by the application of the Western paradigm of modernization, and Singer seems to have believed that the business leaders needed to establish exactly the kind of 'dichotomy

\(^53\) Singer 1972: 342.
\(^54\) As by Dr Sita Narasimhan in a seminar at the Centre of South Asian Studies, University of Cambridge, 31 October 2001.
between secular and transcendental realms [that] was the stimulus to Protestant ascetic individualism’ (as in one interpretation, at least, of the Weberian perspective). But it was also the way in which he made sense of the kind of apparent separation of private and public spheres that he observed—a separation that had its roots, however in trends in Tamil cultural politics.

Still, parts of Singer’s argument seem still to ring true. With the exception, perhaps, of the two branches of one Chettiar family, which have a public presence, a history of partisan political involvement, and an unusual prominence on the race courses of south India, the present day business leaders of Chennai might well be described as ‘this-worldly ascetics’. There is a strong emphasis on dedication and hard-work, and there are very few tales indeed of ‘playboy’ behaviour amongst them. Members of the present younger generation in the older families are commonly highly qualified and accomplished, and as one of them wrote in an article in ‘The Hindu’ (in July 2000), the pressures on them to take up engineering or medicine, no matter what their aptitudes or interests, have often been immense. It is usual for them to go to the United States for studies, and many of them now—no matter what they have studied initially—go on to take MBAs from one or other of the top American schools.

‘This-worldly ascetism’ is sanctioned and reinforced—as Singer also noted from his interviews—by popular readings of the Bhagavad Gita, on which public discourses can be heard somewhere in Chennai on virtually every day of the year. On occasion there are big events, like a course of lectures given in English, in one of the two largest auditoria in the city, on Bhagavad Gita Chapter XV, organized by the

55 Rudner, 1994: 134. Rudner points out that Singer’s suggestion that ‘vicarious ritualization’ is ‘a novel ritual response to a novel business climate’ (p 134) is certainly historically mistaken, when there is such historical evidence of religious gifting by merchants stretching far back into the medieval period—and may also reflect an ethnocentric view of religion.

56 It is rather striking, as one travels around Chennai, that names of the members of this family are more prominently displayed on public buildings than are those of other members of the business elite; while one prominent member of the family was charged in a court case, along with the then former chief minister of Tamil Nadu, J Jayalalitha, whom he is known actively to have supported.

57 He wrote ‘My favourite subject in high school was history, but there was never any chance of my becoming a historian. I was expected and encouraged to take up a career in, naturally, engineering or medicine. I do not remember clearly the reasons for my choice (aptitude was not the primary one), but I ended up in an engineering programme’.
Vedanta Institute, Chennai and sponsored by a shipping agency. These were widely advertised with the line ‘Bhagavad Gita is a Technique for Dynamic Living Not a Retirement Plan’; and the man who introduced the lectures said that he himself had found it ‘extremely handy in the running of our business, especially in these competitive days’.58 The Gita is frequently referred to by business leaders in order to explain the principles that most say are quite fundamental to their attitudes to their lives and their world.59 These are ideas (i) that ‘work is worship’; (ii) that ‘you should do your duty without concern for reward’ (as the Gita says, for example, in the second chapter, verse 48: ‘Perform your work in discipline unmoved by failure or success, abandoning attachment . . .’); and (iii) that success is a function of the effort that we put into something and of a ‘constant’ that refers to what is given by God—or divine grace (what one businessman put to me in a mathematical formulation: y=fx, where y = ‘success’; x = effort and f is the constant). These ideas, they say, show that Hindus are not simply ‘fatalistic’, as Westerners so often assume. They also recall Singer’s arguments concerning Weber’s views on Hinduism:

It is puzzling to find that for Weber the psychological effects of the Hindu ethic are wholly negative and anti-rational . . . because there are several striking parallels between Calvinistic and Hindu eschatology, and it is not clear why the psychological effects of the one belief system should be so diametrically opposed to the other. Through their emphasis on personal destiny and fate, both systems should arouse ‘salvation anxiety’ in believers.60

Such ideas and attitudes are expressed by a majority of the older business leaders whom we may think of as ‘pragmatic believers’. They describe themselves as being ‘religious’, but not ‘fanatical’ about it; they are not much given either to philosophical abstraction (beyond the basic notions just outlined) or to extensive ritual observance. The following entry from my notes describes a fairly

58 In view of the slogan advertising these lectures it is rather amusing to find that M. N. Srinivas, in a letter to Singer, mentioned the story of ‘A Kannada wit [who] when he came across an official-friend with a Gita in his hand, asked the latter “When did you retire?”’ (Singer Papers, Regenstein Library, University of Chicago, Box 102). Srinivas’s point, however, was the serious one that ‘Sanskritization is also related to the life cycle. As people grow older, they become more religious, more Sanskritic’.

59 Singer’s notes on his interviews show that this was a recurrent theme, as it was in my own interviews with business leaders in 2000.

60 Singer 1972: 280.
typical case (the person concerned is from the ‘second generation’ in one of the companies included in Singer’s sample):

Religion is important to him (there was an agar-bathi burning in front of a large silver statue of Vinayaka as I entered his office). You don’t find Indian businessmen running off to psycho-analysts like Americans, because they are able to find comfort in religion. Religion is a buffer against problems. He emphasises the belief that we should do as best we can, and then if we don’t get results, it is fate. Do your duty, but success is in the hands of god. He is not to be drawn, however, on Hindu philosophy. He is not a philosophical type at all. Nor does he pray regularly, though there is a puja room in his house and a purohit comes each day to perform pujas. There is a sense here, of ‘getting it done’. He is not so respectful towards astrology as some others—‘They are good at predicting the past’. But still he listens to the prognoses of the purohits of his wife’s family in Vijaywada, based on their horoscopes, and if the priests recommend performing a puja he ‘gets it done’. He goes on pilgrimage occasionally to Tirupathi and derives a sense of well-being from darshan there.

But ideas and practices such as these, which seem to correspond well with Singer’s account of those he encountered amongst the people whom he interviewed, are not the whole story by any means. The business leaders of present-day Chennai also include those who might be described as ‘restorers of tradition’, others who are ‘followers of god-men’, and some who are ‘followers of the Vedic Heritage’ (in their own self-representations—though they are probably more accurately described as followers of Neo-Vedanta). Between them they strongly reflect religious beliefs and practices other than those highlighted by Milton Singer in the notion of the ‘industrial theodicy’. These include both a very deliberate concern for the maintenance of the tradition of Hinduism, or the Vedic Heritage, and experience of the miraculous and of ecstatic religion. Examples of the latter include the following:

Govinda (pseud.), a Reddy from Andhra Pradesh, is a fine scientist, and a successful businessman, with an international as well as a national reputation. Now in his sixties, he maintains a punishing schedule, but always ensures that he has time for prayer and meditation in the morning—and he believes that he is fitter now than he was when he was younger because of this. The accounts that he gives of his beliefs and religious practice reflect the importance of ‘god-men’ in his life, and their engagement with his business and family affairs. They show, too, the reality for him, of the miraculous—an aspect of religious experience that apparently did not enter into Singer’s discussions with the industrial leaders of Madras.

Though Govinda, by his own account, has followed many gurus, including Sathya Sai Baba (whom I discuss later), the most important for him was the old Sankaracharya of Kanchi, whose picture he has on his desk, and
whom he considers to have been a living god. The Sankaracharya counselled him on a number of occasions, and several times seemed to know, correctly, what was going to happen. Once, when he was having serious problems with a project because of the opposition of the then-chief minister of the state, he went to visit the Sankaracharya. Immediately the Sankaracharya said to him ‘What is this? You’ve come to me just for information? There is no problem’. Govinda returned to Madras to be informed that the Chief Minister wanted to have breakfast with him, and he got the go-ahead for the project that he had long been seeking without success. On another occasion he and his wife visited the Sankaracharya with their youngest daughter who was then unmarried. His wife was getting anxious about the daughter’s marriage, though nothing was said about these concerns. The Sankaracharya gave her a coconut. Govinda and his wife did not know why. Within seven days the girl’s marriage had been arranged. The power of god is there for us to draw upon, Govinda says.

Govinda also has a particular relationship with Venkateswara Perumal (Vishnu). He recounts the story of how as a child on a pilgrimage to Tirupathi with his parents he slipped into the water at the place where pilgrims purify themselves. Somebody dived into the pool and rescued him. But when his parents turned around to thank his rescuer no man was to be seen. Later too, when he had at last been successful in securing a licence for a project, he dashed off to Tirupathi with his wife and daughters in order to give thanks. They arrived too late for darshan of the lord. But, walking round the temple, they met a temple priest who opened a gate for them and gave them darshan. That pujari was not to be found the next morning.

Prominent members of the TVS family (who are Iyengars, and the owners of the largest Chennai-based business group) have invested substantial resources in the restoration of eleven important temples, associated with the Vaishnavite saints. One of them says that his initial concern was with the maintenance of tradition, and of spirituality, in the face of growing materialism. A temple which is ‘radiant’, he says, has tremendous impact on people, whereas one which is dilapidated reflects a community which is disintegrating. Temples are centres of social order (which is of major concern to him), and the temple renovations have changed things in the villages around them. But he recognized the need to support the temple work by putting resources, also, into community development and the trust he set up has built schools (run by his sister who has a Cornell PhD in education) and clinics, and installed water supply systems.

Though they are so active in the maintenance of the Vaishnavite tradition these men have what may be described as liberal and even ‘ecumenical’ views on religion. One of them, though he has a reputation as a tough businessman, is spiritually inclined. The point of worship, he says, is not ‘transactional’—it is not for what you can get
out of it (which is perhaps implied in the attitudes of the pragmatists)—but a means of finding through to spiritual things. He quotes Sufi poetry and St John’s Gospel as well as the Vedas, and talks of profound experiences that he has had in churches and in mosques as well as in Hindu temples. Some local observers think that Iyengars are more strongly oriented towards temples and devotional religion than are Iyers, who—they say—are oriented rather to their maths. The Sankaracharyas both of Sringeri (in Karnataka) and of Kanchipuram (close to Chennai), and their maths, are important particularly to the Iyer businessmen of Chennai (though they are respected, too, by Iyengars and others). The Sringeri math is considered to be one of the four established in the corners of India by the great Vedantic theologian Sankara (c.788–820 CE). The Kanchi math is less certainly of the same antiquity and foundation, but the former Sankaracharya of Kanchi, who lived to be one hundred years old, still inspires particular devotion, especially amongst Iyer businessmen and executives.61 On the whole, however, the business leaders owe allegiance to Sringeri (and they put up funding for the construction of a Sringeri temple in T Nagar in Chennai). The software entrepreneurs, on the other hand, both Iyer and Iyengar, as I go on to describe, are oriented rather towards personal religion, and their benefactions—thus far, at least—are generally devoted to educational causes.

The software entrepreneurs include some who have very little to do with religion, and others how are distinctly secular in their attitudes. But they also include ‘followers of god-men’, such as Rajagopala whose math and the Devi temple which he built (commanded to do so by the goddess when she appeared to him), are in Nanganallur in the suburbs of the city. Rajagopala, whose story includes a number of miraculous occurrences (the image of the goddess now installed in the temple materialized before him in the flames of a sacred fire), has a significant following in the United States, and one of the software entrepreneurs took Rajagopala as his guru whilst he was still working (as he did for sixteen years) in California. The bank branches in Nanganallur are reputed to have bigger NRI deposits than any of the major offices in the city, and NRIs have contributed

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61 Singer gives an account of his own meeting with the Sankaracharya of Kanchi (1972: 86–9). The present Sankaracharya does not have the same reputation as a holy man, and though his involvements in the politics both of the VHP and of the state of Tamil Nadu may be accepted as perfectly legitimate they do not help to create a reputation at all comparable with that of his predecessor.
to the wave of construction of grand new temples there. Others of the software entrepreneurs and a few of the older generation of business leaders, too, are followers either of Shirdi Sai Baba and/or of Sathya Sai Babya, whose associations with the miraculous are well known (see, in particular, the work of Lawrence Babb amongst academic accounts; and Seshadri for a recent account by a devotee\textsuperscript{62}). Babb argues that the very large following which Sathya Sai Baba commands amongst the middle classes may be indicative of a kind of ‘re-enchantment of the world’, and he suggests that:

In the world of middle-class India existential trust may be at a real premium; for its denizens allegiance to Baba [maybe brought about in the first place by the experience of a miracle, such as the appearance of sacred ash on a portrait of Sai Baba\textsuperscript{63}] might serve to revive the sense of the efficacy of a tradition that otherwise seems to be rendered increasingly irrelevant by modern conditions of life.\textsuperscript{64}

Others amongst present-day business leaders are more inclined to study of Vedic Heritage and to take teachers of Vedanta rather than to follow ‘god-men’, though this may be combined with religious devotion and with experience of ecstatic religion. For example, one of these men (I will call him Varadharajan), occasionally—perhaps twice or thrice a year—goes to a particular Murugan temple near his native place, if he is particularly anxious about some business problems. The priest there goes into a trance and through the priest Varadharajan can ask god’s advice. Varadharajan and the other business leaders whom I describe as ‘followers of Vedic Heritage’ recognize the importance of vedic astrology, and—like most others, indeed—they pay attention to rahu kalam (inauspicious times of day), making suitable adjustments in their business activities wherever they can. They ‘compartmentalize’, however, to the extent that they recognize the existence of different faiths amongst the people they work with (in one of the groups two of the corporate presidents happen to be Muslims), so that they believe that it is wrong to go too far in organizing Hindu religious activities in their factories. Still, Ayudha Puja, especially, is celebrated.


\textsuperscript{63} A friend who runs a successful small business scorns the notion that miracle-working is at all important in her devotion for Sathya Sai Baba. Yet she proceeds to recount a number of miraculous occurrences associated with him which she has experienced.

\textsuperscript{64} Babb 1987: 200.
It is commonly asserted—not only by these ‘followers of the Vedic Heritage’—that there is a ‘religious revival’ or, more specifically, a ‘neo-vedantic revival’ taking place in present-day Chennai.65 This is confirmed, for example, in reports that it is increasingly difficult to find a purohit to come for a family ceremony, not because there are fewer of them than there were, but because they are so much in demand. And whereas thirty years ago purohits were often poor people, most these days, it is said, have at least a two-wheeler if they don’t have a car, and they are well paid for the services they perform.

The ‘followers of Vedic Heritage’ amongst the business leaders are disciples, in particular, of Swami Dayananda Saraswati, who is himself a follower of Swami Chinmayananda (and he in turn of Swami Sivananda of Rishikesh who ‘taught the Neo-Vedanta formulated by Vivekananda’).66 Some of the big Chennai-based companies sponsor both public discourses by Swami Dayananda, and a trust which has been established to propagate his teachings—and an educational kit that has been devised, including graded books and tapes, which are for instruction in the ‘Vedic Heritage’. The Swamiji teaches on the texts which form the ‘triple basis’ of the Vedanta commentarial tradition: the Upanishads, the Gita, and the Brahma Sutra; but he also gives many talks around themes like that of ‘Successful Living’. This was the title of the discourses he gave in the Kamaraj Hall—the largest auditorium in Chennai—in February 2000; and his disciples give regular courses on Vedantic philosophy which pick up on the same themes. They aim to show how the Vedanta helps one to develop a new vision of life. ‘The Vedanta is a painful, time-consuming reassessment of life’ but it shows us how we can be happy in spite of the situations in which we find ourselves. There follows here an extended account of a discourse of Swami Dayananda’s, which reflects a particular current in contemporary Hinduism which is significant, I believe, in relation to the impact of globalization in Indian society:

Dayananda also spoke, in English, to a huge audience of men and women, young and old, on the theme of ‘Hinduism: what it means and what it does not’. The meeting was organized by an association founded in 1999, the Citizen’s Committee for Dharma Rakshana Sammelan, which has the aim of opposing religious conversion—seen as an act of violence

65 This is corroborated in Christopher Fuller’s studies of temple priests and their education in Tamil Nadu in the 1990s.
against Hinduism; and it was attended by several of the business leaders whom I knew. Now Swami Dayananda has been asked to head a sabha of acharyas to organize Hindu resistance; and he himself spoke, later, about the launching of charities in remote, tribal areas to teach people there—who are not ‘non-Hindus’—that what they are doing is right, and to support them in resisting the attentions of missionaries from other religions. ‘Indians need no lessons in giving’, he said; and Christians have no monopoly on compassion.

The president of the Sammelan spoke at first of her own deep shock—though, she said, she was convent-educated—at the ‘spurt’ of conversions which has taken place, and which she believes has followed from the last Vatican Council at which it was decided that the time was ripe for ‘harvesting Hindus for Christ’ (murmurings in the hall at this). But, she insisted, the Sammelan has no political agenda and is against no religion. It is certainly not opposed to Christianity and especially not to Indian Christians, though it does oppose certain Christian practices and doctrines—such as the idea that man is made in the image of god, and that woman is somehow incomplete. Describing herself as a feminist, the speaker said that Christianity has always held women to be inferior, whereas in the Indian tradition women are regarded as being of equal importance. ‘Fundamentalism’, she said, has been created by Christianity and by Islam. Whereas Hindus have no problem about accepting Jehovah or Allah, they don’t accept Hindus! Christians, especially, claim the right to convert in order to establish ‘their’ god’s kingdom here on earth. Now, in India, Christian missionaries have penetrated all institutions and activities, and have flooded the colleges. She referred to the investigation of the murder of the Australian missionary, Graham Staines, in Orissa in 1999, which she said, had shown how much the Santals there bitterly resented conversion and felt they had been left unprotected by the state. They reacted, perhaps, in their own way (wrongly, but understandably).

At last Swami Dayananda spoke. He is a brilliant, charismatic speaker. Hinduism, he said, is the sanatanadharma (the ‘eternal dharma’, which really means ‘a view of reality and a way of living’.). We have no knowledge of a time when the Hindu religion did not exist. No individual ‘founded’ Hinduism, not Krishna, not Rama—why, Rama was born a Hindu. Asking who started the Hindu religion is like asking who started physics. Was there ‘monkey physics’, perhaps, in the first place? The only difference between the sanatanadharma and physics is that one is constant while the other is always changing. Hinduism, however, encompasses diversity—and he spoke several times of the development within the Hindu tradition of a dualistic philosophy (dvaita) which is much more cogent than those of the ‘founder religions’. Much of his talk, indeed, was devoted to mocking the ‘founder religions’, though especially Christianity—provoking gales of laughter through the hall—and to asserting the supremacy of the Hindu tradition, often to prolonged applause. Especially did he scorn—though with impish humour—the (dualistic) notion of the existence of a ‘devil’ who puts spokes in the wheel of the almighty. Is not the concept of karma infinitely more satisfying intellectually? Outsiders don’t understand the idea of karma, but
equate it with fatalism and believe that that these ideas make Indians passive and that their passivity is the cause of poverty in the country. To the contrary, the doctrine of karma makes one responsible, not a fatalist: the karma of an individual is the outcome of the exercise of free will; and free will can finally neutralize karma. ‘I am responsible for my karma, not a devil!’. (Ideas like these, as I have explained, are articulated by many of the business leaders of Chennai). Outsiders also mistake the central idea (axiom, really) of the sanatanadharma. So often they think that Hindus worship many gods, as well as trees, and rocks and rats and so on. They don’t understand (this to applause) that ‘We say ‘There is only god’, not ‘There is one god’ nor ‘There are many gods’.’

Swami Dayananda celebrated the knowledge which is contained within the Hindu tradition, and went on (to further applause): ‘I am happy that I am a Hindu, and that I am not afflicted by guilt’. So he turned to arguments about conversion: ‘Conversion is a violence. You betrayed the trust we placed in you when you came and built your churches, when you started to convert. Conversion does violence to the person. I say put a freeze on conversion’. And he concluded with the words ‘Strength is being what you are. You are a nobody if you don’t know that. It is in this sense that Hindus must be strong’. The continuities with the discourse of Hindu nationalism are unmistakable. And one of the business leaders who is a follower of Swami Dayananda said to me once ‘You know, in my heart I am with the RSS’.

Much of the foregoing will be familiar, no doubt, to active students of contemporary Hinduism. In the present context these observations, although they may not be particularly distinctive, are significant for several reasons. In the first place they do suggest some change since the time at which Singer did his study. His account of the beliefs and practices of the industrial leaders does not mention ‘restoration of tradition’, the following of ‘god-men’ (other than the Sankaracharyas, who in Singer’s account were important as philosophical teachers not as ‘god-men’), or experience of the miraculous, or even indicate the kind of interest in the Vedic Heritage which is reflected amongst those, now, who follow Swami Dayananda Saraswati. It is unlikely that such activities were not pursued at all in Madras in 1964, but it surely is significant that Singer does not give them much attention. As I recounted, a short reference to ‘a revival of temple-going (etc)’ does appear in his notes, but these observations are down-played in the text, and I

67 Swami Dayananda’s views on conversion are also set out in a pamphlet Conversion is Violence, published by Sruti Seva Trust, Arsha Vidya Gurukulam, Coimbatore.

68 He also deplored the destruction of the Babri Masjid, however, and seemed relieved when I told him that those who undertook the demolition work had had to break through a cordon of RSS volunteers.
advanced reasons for the emphasis that was given by Singer’s informants to the private nature of religion, to emotional restraint and philosophical principles, particularly in the context of the aggressive anti-Brahmanism of the Dravidian Movement. It seems safe to conclude, however, that there has been an upsurge in religious sentiment amongst the Chennai elite in recent years. The question is: what accounts for it?

The answer lies in a paradox. This is that the stress on the public absence of religion observed by Milton Singer amongst the mainly Brahman or Brahmanized elite of Madras, and some inclination amongst them to secular-mindedness, was grounded in an emphasis on the strength of private religion deriving from a very traditional reading of Brahman religiosity. The more recent apparent upsurge in religious sentiment reflects a radical reworking of that reading away from the exclusive, philosophically elaborate, severe and ritually careful religious praxis that Singer observed, towards an ecumenical, loose, charisma-focused and ritually liberal one. This shift has taken place in the context of the ebbing of Dravidian rationalism in the face of the persistent religiosity of Tamil culture—to which the Brahmanical withdrawal from claims to public religion, at around the time Singer was doing his fieldwork in Madras, contributed, given that what religion remained ‘public’ was the Non-Brahman culture that was also the constituency of the Dravidian parties. The unapologetic though clearly defensive celebration, recounted above, of the supremacy of Vedantic Hinduism by a religious leader who appeals to some business leaders, at least, would probably not have had such a hearing in 1964—not least because of the influence at that time of Non-Brahman political Dravidianism. This is an influence that is by now seriously attenuated, when one of the ‘Dravidian’ parties (the DMK) is in alliance with the Bharatiya Janata Party, and vies with the other (the AIADMK—led, of course, by Ms J Jayalalitha, a Brahman) in claiming credit for the numbers of temple renovation rituals that have taken place.69

A further question, important in the context of a consideration of the nature of modernity in contemporary south India is that of what the connections are between the sort of reassertion of tradition shown in Swami Dayananda’s discourse on Hinduism, or in a

69 See The Hindu for 12 March 2001 for a report on a speech by the Chief Minister, M. Karunanidhi, in which he claimed that the numbers of these rituals conducted during the period in office of the DMK after 1996 exceeded those conducted by the AIADMK government between 1991 and 1996.
different way in the ‘restoration of tradition’ by members of the TVS family, or in temple building in Nanganallur, and ‘globalization’. There are connections of a material kind, of course, in the flows of money from NRIs in North America, and in their active interest in their ‘heritage’ (in what Anderson refers to as ‘long distance nationalism’)—which help to account for temple-building in Nanganallur and for the popularity of a god-man such as Rajagopala. But a deeper connection is given in Swami Dayananda’s concluding remarks: ‘Strength is being what you are. You are a nobody if you don’t know that. It is in this sense that Hindus must be strong’. India’s success in the globalizing world, which matters a great deal to the business leaders of Chennai—as well as amongst NRIs in North America—who are generally quite desperately concerned to ‘show what India can do’, seems to most of these people to depend upon Indians ‘being what they are’. Hence there is indeed a very deliberate searching back—given material form in the ‘Vedic Heritage Kit’. The reassertion of the authority and legitimacy of ‘tradition’ in the pursuit of ‘true’ modernity accounts for the sympathy which is expressed for Hindutva, and for the BJP—amongst some members of the Chennai elite, at least—rather than the reverse (i.e. it is interest in the renewal of the Vedic Heritage that makes people sympathetic to Hindu nationalism, not the reverse). But the rise of these sentiments has come about in parallel with the changed discourse of religiosity amongst the Dravidian parties.

Concluding Observations

Milton Singer’s focus on ‘this worldly asceticism’ and ‘the industrial theodicy’, with which is associated his key conceptual innovation of ‘compartmentalization’ (and which allows for ‘modernization’ without ‘secularization’), was defined by the lens of the Western paradigm of modernity. I have argued that the upper caste religious praxis that he observed can be better explained as an outcome of Tamil cultural politics than as a consequence of industrialization. The more recent shifts in religious praxis that I have described, and

70 Benedict Anderson, The Spectre of Comparisons: Nationalism, Southeast Asia and the World (London: Verso, 1998): Chapter 3. Anderson argues here that ‘long distance nationalism’ is probably ‘a menacing portent for the future’, not least because ‘it creates a serious politics that is at the same time radically unaccountable’ (p. 74).
that lend support to the Hindutva project of becoming more fully modern by being true to a notion of a distinctive cultural essence, or ‘tradition’, have also come about in the specific context of changing cultural politics in Tamil Nadu. More broadly, the Chennai material described here are not adequately mapped by Westernist categories. The universal logic of modernity, as it is described by Giddens, driven by the vehicle of Occidental globalization, though it has powerful consequences in India (and elsewhere) does not work itself out in the way that is predicted. The processes that I have described in Chennai exemplify de-centred globalization, and challenge the configurations that Giddens and others (and Milton Singer before them) have read into every part of the globe.