

PARSI BUSINESS TYCOONS: REVOLUTIONARY HARBINGERS OF INDIAN SOCIO-ECONOMIC ENTREPRENEURIAL MILIEU

Ujjwal Biswas(1)^{*}, Oliva Roy^{**}, Debalina Sengupta^{***} and Joydeep Banerjee^{****}

Abstract: Industrial entrepreneurship, start-ups, industry, business, innovations are the sine qua non of economic growth and human development of a country. For this reason, the developed and developing countries of the World are currently focusing on providing its people fertile ground for sprouting entrepreneurship. Parsis, the followers of Zoroastrianism, one of the World's oldest religions, left their homeland, Iran in early 8th century to save them from religious persecution, and migrated to different parts of the World. Parsis, the smallest minority community in India, have, in course of time, evolved as one of the most prolific clans to give birth to the tycoons in the realm of business or entrepreneurship. We have embarked on the venture to figure out the reasons behind this proliferation in terms of spawning the passionate and powerful entrepreneurs in the world of business. We, in this analytical procedure, will thrash out the general determinants of successful entrepreneurship analysing those tenets pertaining to this minuscule community. Our object of prime interest in this article will be to evince and explicate the driving factors leading to the succession of their pursuit as entrepreneurs. We will definitely try to figure out the dominant characteristics of those tycoons, along with the details of other catalytic assistance in their steps of business start-ups.

Keywords: Determinants, Entrepreneurship, Immigration, Management, Social mobility etc.

INTRODUCTION

In the last few decades, views on entrepreneurship activities have gone through revolutionary metamorphoses resulting in a widespread consensus adhering to its importance on financial market. It began to gain significant heed from both the sides of scientists and policy makers, inspiring us to acquire extensive study for comprehending this multi-faceted phenomenon. In this respect, the allied aspects connecting to its to-and-fro are also multi-layered. This diversion is not rare in the field of literature; at the moment of our exploration into the theorem of classic contributors of entrepreneurship along with their modern ones; we find abundance of their practical application both in literary and tangible worlds. Although, to some extent, it is unanimously accepted that the pursuit of entrepreneurship has a paramount role to play in economic progression of a country; both developed or

^{*} Research Scholar, Department of Humanities & Social Sciences, National Institute of Technology Durgapur. Email: ujjwalbiswas150@gmail.com

^{**} Research Scholar, Department of Humanities & Social Sciences, National Institute of Technology Durgapur. Email: Olivaroy2@gmail.com

^{***} Research Scholar, Department of Humanities & Social Sciences, National Institute of Technology Durgapur. Email: debalinase@gmail.com

^{****} Assistant Professor, Department of Humanities & Social Sciences, National Institute of Technology Durgapur. Email: joydeep.banerjee@hu.nitdgp.ac.in

under developed, the evidence of which is radically delimited. This may very well be caused by the fact that this relation requires the acknowledgement of intermediate processes. Entrepreneurship, which is closely linked to the small businesses and technological alterations, empirically substantiates to be one of the most positive influences on the current miniature commercial growth. For the purpose of achieving upliftment in terms of affluence buoyancy, potential entrepreneurs should obtain stimulus to pursue advertently in their activities. There was an exodus of believers in Zoroastrian religion known as Parsi community who, in spite of leaving their own homeland, cultivated their entrepreneurial art in a foreign land like India. When the Muslim religious sect began to convert and persecute these people in Iran, they migrated from their native land to India and some other countries for the survival of their religion and were welcomed in our country. Like first world countries like USA or UK, Immigrant entrepreneurship, in developing countries too, have not been failed to procure an erudite and momentous attention. Entrepreneurship gives immigrants social dignity in the host country, but we must not forget the fact that it is also a very challenging initiative for them, since they have to confront various impediments like deculturation, miscommunication, racial prejudices and legal diplomacy. Similarly, the entrepreneurs comprising this survival-struggling diminutive clan in India had to face the problems alike to commence their start-up businesses. In spite of their throbbing potentials in entrepreneurial project, it is very challenging for the new immigrants in obtaining necessary monetary help for their start-up and mostly they have to depend on the assistance from family and friends in terms of fiscal support. Another hurdle for them is hiring efficient employees from the mainstream society of their host country since their lack of financial aid which does not entertain them to pay the standard wages and obliging grants. There are some other constraints immigrant entrepreneurs have to struggle with owing to their survival in the foreign lands. It was very unfortunate that, for many years, economic researchers have failed to explore the importance of this trend and could not make the pivotal point of their concentration with respect to immigrant entrepreneurship and consequently left the study of the fact on anthropologists, management specialists and sociologists. However, after so many years of avoidance by the Economic researchers, inventiveness has recently been taken up to make this topic the field of analytical investigation as a meta-narrative to critical constellations. Therefore, encouraging the Parsi entrepreneurs will lead to the paved path of enthused eagerness not only in the people belonging to this particular community but also to other communities in India.

LITERATURE REVIEW

Entrepreneurship is a multidimensional and multifaceted concept that can hardly be defined in precise terms (Carree and Thurik, 2005). Entrepreneurship or

entrepreneurial activities have been defined in a plethora of ways by different scholars and economists. The Global Entrepreneurship Monitor (“GEM”) has given a broad definition of entrepreneurship, “... any attempt at new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, teams of individuals, or established businesses”. Jean Baptiste Say (1816) defined an entrepreneur as an agent “who unites all means of production and who finds in the value of the products... the reestablishment of the entire capital he employs, and the value of the wages, the interest, and rent which he pays, as well as profits belonging to himself.” According to Cantillon (circa 1730), Entrepreneurship is “self-employment of any sort”. While Leibenstein (1968, 1979) views Entrepreneurial activities as “activities necessary to create or carry on an enterprise where not all markets are well established or clearly defined and/or in which relevant parts of the production function are not completely known”. According to Penrose (1963), Entrepreneurial activity is identifying opportunities in economy system. Schumpeter (1965) defined “entrepreneurs as individuals who exploit market opportunity through technical and/or organizational innovation”. Onuoha (2007) defined Entrepreneurship as “the practice of starting new organizations or revitalizing mature organizations, particularly new businesses generally in response to identified opportunities.” For Frank H. Knight (1921) and Peter Drucker (1970) “entrepreneurship is about taking risk”. Bolton and Thompson (2000) viewed entrepreneur as “a person who habitually creates and innovates to build something of recognized value around perceived opportunities”. According to Hisrich (1990), an Entrepreneur is “someone who demonstrates initiative and creative thinking, is able to organize social and economic mechanisms to turn resources and situations to practical account, and accepts risk and failure”. It’s difficult to reach any sort of consensus regarding the precise definition of ‘entrepreneurship’. In an OECD Economic Survey (1997), Entrepreneurship has been defined as “the dynamic process of identifying economic opportunities and acting upon them by developing, producing and selling goods and services”. However, it can be asserted that, an Entrepreneur is someone who embarks on a hazardous journey to create something new, he is a risk-taker and also an innovator, who possesses certain qualities, like patience, innovativeness, determination, honesty and many more. Howard Schultz, the CEO of Starbucks and an entrepreneur, rightly stated once:

For me, as CEO, it’s about being as visible as possible to employees and all parts of the business. I need to communicate more than ever. I travel a great deal. I need to be present and available to people. I need to be authentic, honest and open. People need to be told the truth about what we’re doing. This is no time for spin. (page. 5)

Besides honesty, authenticity, communicativeness and open-mindedness, Howard Schultz also said that an entrepreneur should be persistent, firmly determined, and passionate. William Chase, a brilliant entrepreneur and the founder of 'Tyrrels Potato Chips', asserted that entrepreneurs should possess strong oral communication skills, but above all, they should be intelligent enough to 'know how to turn 50p into f1'. When discussing about success Sir Martin Sorrell, founder of WPP, refers to important factors including persistence, communication, luck and formal education of entrepreneurial activities. He advised people to take the formal business education if there is any opportunity for this. According to him, there is another important factor to be succeeded in this profession that is free trade environment. Another business tycoon in the world of business is Peter Jones who established Phones International Group in 1998. Today, he is used to giving advice to aspiring entrepreneurs. He explains 10 rules for the success: vision, influence, confidence, commitment, being results-oriented, timing, perseverance, being caring, action and intuition. Huck and McEween believes that (1991) Jamaican entrepreneurs' success depend on their understanding of customers' need, access to capital, support of family, and networking with friends from former schools and colleges. Due to an extremely low level of funding available to small and medium-sized enterprises in the country, family members not only are the source of start-up funds, but entrepreneurs' wives and children are often asked to work when no reliable employees can be found (Liao &Sohmen, 2001). According to VimalRuia, second generation of the family textile business of the Ruia Group, family background in business is a vital factor. Sir Stelios denigrates those people who prefer luck to be successful in business. The tag line for business success for him is 'case is king' and he advises:

Only companies that conserve case will survive and see the upturn. People with surplus case will, in the next 6 to 18 months, be able to pick assets at prices which will have corrected from the irrational exuberance level by a factor of 30%-70%. (p 14)

In this context, let us take a look at the inspirational journey of one of India's leading businessman, Dr. Cyrus S. Poonawalla. Dr. Cyrus Poonawalla, a successful entrepreneur, chairman of the prestigious Poonawalla group and the founder of Serum Institute of India, was born in a Parsi family. They had business of horse racing and the family owned Poonawalla stud farms. By the age of twenty, Poonawalla realized that horse racing had "no future in the socialist India of the time" and decided to enter automobile industry. He, along with his friend, built a \$120 prototype sports car, modelled on the D-type Jaguar. But they needed more capital for its production. In the meantime, the farm's retired horses were donated to government-owned Haffkine Institute in Mumbai, which made vaccines from horse serum. Then Dr. Poonawalla paved the novel path in a challenging way to fulfil

the demand of vaccines in India, by extracting serum from horses and producing cheaper vaccines. With strong conviction in “No Compromise with Quality” and with optimistic willingness of “Health for all with affordable vaccines”, Dr. Cyrus Poonawalla founded Serum Institute, which soon emerged as India’s leading biotech company and the World’s largest cheapest vaccine manufacturer.

Belonging to a certain ethnic group may have the possibility of augmenting the probability of successful entrepreneurship. Iyer and Schoar (2008) “look at the market for wholesale pens in India amongst three different ethnic groups. They found the Marwari group, known for being particularly business savvy, were better at fostering long term business relationships, especially within their own community, than other ethnic group”. Deon et. al., (1999), in his study, has found out that in developing countries, there is a general tendency among immigrants to take up entrepreneurial activities. Waldinger et. al., (1986; 1996) has identified four factors that are actually responsible for inspiring the people of an ethnic group to become entrepreneur. These factors are – ‘culture, structure, the ethnic enclave, and the situation’.

Thus, there are a significant number of factors that actually inspire and encourage people to become entrepreneurs, and among them, cultural predispositions plays a vital role in determining the entrepreneurial success of a particular ethnic group. And that is why, a high percentage of entrepreneurs in the world, belong to specific ethnic groups. Adi Godrej Chairman, Godrej Group asserts that, “The Parsis have always integrated sufficiently, [and] the major communities in India- the Hindus, the Muslims- have always respected the Parsis.”

Discussion of Classical Concepts and Theories of Entrepreneurship

The term ‘entrepreneurship’ has been defined by different scholars in different ways. Likewise, there exists several different theories of entrepreneurship, explained from the perspectives of economists, sociologists, and psychologists. For a better understanding of the different theories of entrepreneurship, it is required to study the historical perspective of entrepreneurship. Here’s a chart that will help us to understand of the historical development of entrepreneurship.

The concepts of entrepreneurship have undergone significant changes in the last few decades, as scholars continue to add different views to the concept of entrepreneurship. As has already been stated before, entrepreneurship is a multi-dimensional concept, which is influenced by ‘not only economic aspects, but also by sociological, psychological, ethical, religious and cultural values’. Different scholars and social scientists have interpreted the concept of entrepreneurship differently, from their different perspectives, in different economic environments. The evolution of the concept of entrepreneurship can be divided into five stages:

TABLE 1

Eighteenth Century		Nineteenth Century		Twentieth Century		Twenty-First Century	
Early 1700s	Late 1700s	1803	Late 1800s	1934	1964	2004-10	
Richard Cantillon (economist) coined term entrepreneur	Entrepreneur bears risks and plans, supervises organizes and owns factors of production	Jean Baptiste Say (economist) proposed that the profits of entrepreneurship were separate from profits of capital ownership	Distinction made between those who supplied funds and earned interest and those who profited from entrepreneurial abilities	Joseph Schumpeter (economist) described entrepreneur as someone who is an innovator and someone who "creatively destructs"	Peter Drucker (Management author) described the entrepreneur as someone who maximizes opportunity	As technology changes and global connectivity improves, entrepreneurship means that the entrepreneur not only has to ensure profits for all stakeholders, he has to fix problems, tap new markets, bring cutting edge ideas to the table, and lead cross-cultural teams. Entrepreneurship has taken on new meaning and greater challenges in the last decades. The real skill is learning how to influence through commitment, loyalty and trust.	

Source: Introduction to Entrepreneurship Unit I, Unit II, University of Nairobi.

TABLE 2: THE EVOLUTION OF THE CONCEPT OF ENTREPRENEURSHIP

First Stage	The concept was vague, wide and not clear. Entrepreneurs was looked as adventurer
Second Stage	Entrepreneurship was looked as speculative activity
Third Stage	It this stage Entrepreneurship was looked as co-ordinator of protective resources
Fourth Stage	Entrepreneurship was more inclined towards innovative and creative practices
Fifth Stage	Entrepreneurship become an act of visionary leaders, high achievers towards social decision making

Source: Introduction to Entrepreneurship Unit I, Unit II, University of Nairobi

According to Joseph Massie, “However, because of the diversity of approaches to the study of entrepreneurship, there is difficulty in defining just what entrepreneurship is and identifying just who is an entrepreneur.” There exist different theories and perspectives regarding the emergence of Entrepreneurship. These views are divided into three categories:

- A. Economist’s view
- B. Sociologist’s view
- C. Psychologist’s view

A. Economist’s view

According to different economists, favourable economic environments provide entrepreneurs fertile ground for sprouting. According to them, efficient economic policies, economic incentives, and a well development market foster entrepreneurship in any country. Two most prominent exponents of this view are - G.F. Papanek and J.R. Harris. According to them, economic incentives, such as market position, taxation and industrial policy of the country, demand and supply – are the principal driving forces behind the emergence of entrepreneurial activities. Economists have always emphasized economic incentives, gains and costs as the most important elements that foster the emergence of efficient entrepreneurs.

B. Sociologist’s View

Contrary to the Economists’ view, Sociologists gave their own perception regarding the emergence of entrepreneurship. According to them, entrepreneurs are greatly influenced by social culture. They have argued that social sanctions, cultural traditions, cultural values are principally responsible for the emergence of entrepreneurship. The theories and views of Weber and Cochran are immensely significant and relevant in this context and need mention. According to Thomas Cochran, ‘the fundamental problems of economic development are non-economic’. Cochran’s theory emphasized on role expectations, cultural values and social sanctions as the most important factors that lead to the emergence of entrepreneurs in a country. According to him, entrepreneurs are the representations of a society’s model ‘personality’. Max Weber discussed religion and its influence on economic aspect of the culture. In conformity with his opinion, ecclesiastical believes are the driving factors to generate entrepreneurial activity. The beliefs have a very vital role to play in the matter of determining the future course of action of the entrepreneurs. He observed that the spirit of entrepreneurial growth depends upon a specific value orientation of individuals and it is generated by ethical values. His observations were based on the relationship that he found between protestant ethic and the spirit of capitalism. It was also found to be true in the Indian context of communities. But in the Indian context, according to the observations of Tripathi the commercial development of Jains is not due to their ethic but owing to their emergence from

Hindu Vaishya- the traditionally well-known commercial community in India. He cannot come to the consensus with the view that caste has restriction on people of non-business classes to cross the threshold of manufacturing as he observes that several Brahmins have entered into manufacturing concerns. Therefore Weber's model does not suffice for explanation and analysis of the entrepreneurship in Indian situation as it is a western social construct. Young has given the theory of entrepreneurship that is a theory of change which deals with incorporation of reactive sub-groups by society. According to Young's theory, entrepreneurship emerges in a group if the following conditions coincide:

- when a group experiences low status recognition;
- when they are denied of access to important social networks;
- when the group has better institutional resources, than other groups in the society at the same level, then the entrepreneurship emerges.

Tripathi observes that the common factors between Parsi and Hindu entrepreneurs were not the religious values but their exposure to new ideas and values. The Parsi community fled from their native land and entered in a foreign land so they also had the identity crisis like other immigrant groups and had the urgency or desire to get into the main stream life of society. They also wanted to earn the social mobility in the foreign lands like India, China and Pakistan and because of that they got involved in their own enterprise. K.N. Sharma explains the process of entrepreneurial spread by analysing the differential responses of the social groups to the opportunities provided by the commitment of the political system to industrialization. Both of them agree on the ideology that exposure to new ideas leads to entry in manufacturing and success therein. But they differed on emphasizing the traditional collectivities and group affinities based on religion, region and caste (K.N. Sharma) and formal education (Tripathi). According to Hoselitz, cultural marginality leads to the emergence of entrepreneurial activities in a country. Stokes too supports this view. He suggests that social-cultural values inspire and encourage people to become entrepreneurs.

C. Psychologist's View

Besides economists and sociologists, there are some critics and scholars who have prioritized and emphasized on the psychological factors that are the principal driving forces behind the emergence of entrepreneurship. The prominent exponents of this theory or view are – McClelland, John H. Kunkel, Joseph Schumpeter and Everett-E-Hagan.

McClelland has talked about 'human values and motives that lead men to exploit opportunities and take advantage of favourable trade conditions'. According to this if we analyse the evolution of ship-building business of the Parsi community in India, it will be evident to us that this group was wise enough to utilize the congenial

environment for the flourish of their enterprise. In the beginning of the ship building business they very shrewdly eschewed the competition with the British and they established a symbiotic patron-client rapport with the British. Almost every Parsi rich man had one or two British patrons. They took every possible measure to strengthen the relationship with the British business community. In the last decade of 18th century the mercantile capitalists of Bombay began to take interest in European forms of business organisation, progression of shipping and ship-building and exploration of new markets. Among the indigenous merchant groups, the Parsis had acclimatized themselves to the changed political milieu. According to Holden Furber in early 1750s the Parsi trading at Surat was completely under European (Dutch and English) protection whereas the respective shares of Hindu and Muslim trading capital under European protection at Surat were estimated. McClelland's theory of Achievement is generally considered to be the most important psychological theory of entrepreneurship. According to McClelland, entrepreneurs are 'high achievers', who are motivated by their need for achievement. Joseph Schumpeter considers an entrepreneur to be an innovator, who produces new products for the economic development of a country. According to him, entrepreneurs are basically motivated by his/her will to conquer. Hagan considers the loss of social status as the most significant and influential factor leading to the emergence of entrepreneurship. According to him, when the people of a social group lose their social status, they respond in five ways: (i) "retreatism", (ii) "situationalism", (iii) "innovation", (iv) "reformism" and (v) "rebellion". Among these five response patterns, 'retreatism' promotes entrepreneurship. Kunkel has developed a behavioural model to study the factors responsible for the emergence of entrepreneurship and says that according to this behavioural model, "the determinants of an individual's activities are to be found largely in the conditioning procedures both deliberate and accidental to which he has been subjected in the past and in the sets of reinforcing and discriminative stimuli which become part of his behavioural chains and are part of present social context." Thus, according to Psychologists, entrepreneurs possess certain psychological characteristics that encourage and inspire them to innovate. The main characteristics are:

- (i) an institutional capacity to see things in new way (vision)
- (ii) energy of will and mind to overcome fixed habits of thought
- (iii) an urge to do something
- (iv) to fulfil a dream
- (v) he capacity to withstand social opposition

Determinants of Success as an Entrepreneur

This section will concentrate on the revelation and exploration of the determinants of successful entrepreneurship that arise from literature. The classic views on

entrepreneurship beget the determinants of being successful in the start-up of the entrepreneurs. These are summarized in Table 3, which is taken from Van Praag (1999). In this study we shall empirically test proposed determinants that stem from these classical views, as well as some other determinants proposed in literature.

**TABLE 3: DETERMINANTS OF SUCCESSFUL ENTREPRENEURSHIP
EXPLICATED BY THE CLASSIC AUTHORS
(TAKEN FROM VAN PRAAG, 1999)**

<i>Authors</i>	<i>Having Success as Entrepreneur</i>	<i>Start and be a Successful Entrepreneur</i>
Cantillon		Alertness and foresight
Say	Judgment, perseverance, knowledge of the world, business and occupation	Bear risk
Marshall	Intelligence, general ability (dependent on family background and education) Knowledge of the trade Bear Risk; Leadership	Good fortune, Father entrepreneur
Schumpeter		Good luck
Knight	Ability to deal with uncertainty: self-confidence, foresight, intellectual capacity	
Kirzner	Creativeness and leadership to exploit profit opportunities	

Thus, in India, the primary determinants of success of Parsi entrepreneurs are the following:

Social Networks

Entrepreneurs need a cohesive social network to spread their business. Parsis are immigrants, but since their arrival in India, they have formed strong bonds and social networks with the fellow Indians. The social networks and social bonds have enabled the Parsi entrepreneurs to get financial support, knowledge and capital that have helped them immensely in growing their business. These social networks and relationships have helped Parsi entrepreneurs in growing their business nationwide.

Lack of Other Job Options

Another significant factor that has led the Parsis into industrial entrepreneurship is – the lack of other job options. Parsis were immigrants; they had to compete with the native Indians to get a job in this country. And like other immigrants, they had to face problems like, language barrier, socio-cultural constructs of the native Indians, lack of contacts etc. For these reasons, these obstacles, Parsis went into business; they became entrepreneurs, as entrepreneurship circumvents these obstructions.

RESOURCES

Resources reflect access to capital, R&D and technology. These are the factors that are important to entrepreneurs and entrepreneurship in general. Indeed many studies on entrepreneurship highlight capital as one of the most critical factors for success (EU, 2003). Capital covers all phases of business life, from access to early seed funds to access to the stock markets. R&D creates new inventions that the entrepreneur and entrepreneurial businesses can turn into new products or processes. The R&D in this context should be understood as a resource that can be created or purchased, whether directly or in an embodied or diffused form.

TABLE 4: THE BANK OF BOMBAY: THE STRUCTURE OF SHARE CAPITAL

	1840				1848			
	No of Share Holders	(percent)	Share-Capital (₹1000)	(Percent)	No of Share Holders	(percent)	Share-Capital (₹1000)	(Percent)
Resident Europeans	173	(52.0)	3261	(62.4)	91	(29.0)	1473	(28.2)
Non-Resident Europeans			1233	(24.1)	95	(30.3)	2395	(45.2)
Parsis	109	(33.0)			88	(28.1)	877	(16.8)
Other Indians	50	(15.0)	431	(8.2)	39	(12.6)	210	(4.5)
Bombay Government	1		300	(5.3)	1		300	(5.3)
Total	333	(100)	5225	(100)	314	(100)	5225	(100)

Source: C. N. Cooke, "The Rise, Progress and Present Conditions of Banking in India", Calcutta, 1863, p. 165-6.

From this table we come to the conclusion that in the early decades of 18th century, economic condition of this business community was very impressive in comparison to other native business groups in India. Therefore we can infer that even in that era of British colonization, Parsis emerged as a significant business community because they had the affluence of financial resources.

Skilled People

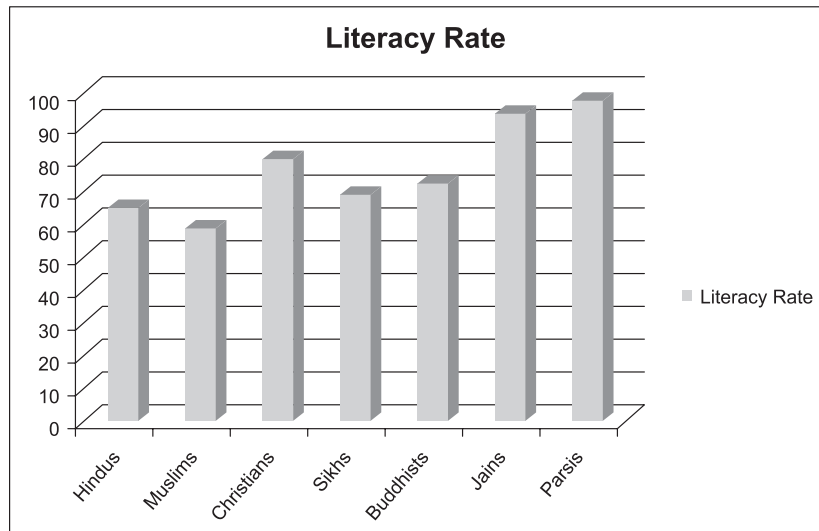
Skilled people in this context relates to the capabilities of the entrepreneur and access to other capabilities within the entrepreneurial infrastructure (Lee et. al., 2000). In other words, the entrepreneurial capabilities include the human and social capital of the entrepreneurs. Entrepreneurial firms can exist without an entrepreneur at the helm, reflecting the entrepreneurialism of employees but this is not currently an explicit determinant that is being developed as part of this framework but may be included in later versions. The arrival of the British East India Company in 1600s is

the bringer of fortune for this community as the colonizers found the similar traits in Parsis that they ascribe to themselves like diligence and strong work ethics.

Johan Albrecht de Mandelslo was a German adventurer who travelled through Persia and India in the 17th century and described Parsis in 1638 as “diligent”, “conscientious”, and “skilful” in their mercantile pursuits.

James Forbes, the Collector of Broach (now Bharuch), would note in his ‘Oriental Memoirs’ in 1770, “Many of the principal merchants and owners of ships at Bombay and Surat are Parsees. Active, robust, prudent and persevering, they now form a very valuable part of the Company’s subjects on the western shores of Hindoostan where they are highly esteemed”. (Forbes 136). Rustom Mneek, one of the stalwarts of this clan, who was succeeded to manage a fortune under the Dutch and Portuguese. In 1702, the East India Company had employed him as the first broker in India. Later on he along with his Parsi associates enlarged their financial as well as occupational sphere. Gradually, by the mid-18th century, the brokerage houses of the Bombay Presidency were almost confined to the hands of Parsis. As the British introduced modern education, Parsi youth embraced it quickly and that paved a way for them to get closer to the British establishment. As they were prudent enough to realise that if they want to enter into the world of business they must learn English language to communicate and to be educated in terms of business formally.

Education has the positive impact on the Parsi entrepreneurs to flourish in congenial environment. In India the literacy rate of Parsi community is significantly notable in comparison with the other major religious sects (Figure 1).



Source: Census of India, 2001

Figure 1

Opportunities

Opportunities are created by the market conditions in the country. These market conditions include public involvement in markets, competition in the markets, access to foreign markets, procurement regulation and so on.

Regulatory Framework

Entrepreneurship happens within a regulatory framework, which affects performance. A combination of opportunity, capabilities and resources does not necessarily lead to entrepreneurship if opportunity costs (e.g. forgone salary and loss of health insurance) and start-up costs outweigh the potential benefits. Since in this event, a rationale, potential entrepreneur will not pursue the opportunity and will not create value through a new product, process or market. In this framework, the regulatory framework is defined very broadly and includes all taxes, regulations and other public rules and institutions affecting entrepreneurship. All indicators that measure taxes, regulations or other regulations that either increase or decrease the incentive to entrepreneurial activities are captured in this theme.

Culture

If we endeavour to explore the determinants of success in the entrepreneurial phenomena we need to study their culture which is the nurturing factor of these entrepreneurial characteristics in the efficient and successful Parsi business tycoons. Culture influences an entrepreneur's behaviour, attitudes, and overall effectiveness and, moreover, is often unnoticed by the entrepreneur (Ivancevich & Matteson, 1996).

The Parsis are Zoroastrian by faith. Around the year 650 A.D., the Parsis, a peace loving and hard-working community, languished much by the Muslims in Iran, fled from Persia and reached India to be settled down at the Gujarat coast. They succeeded, at ease, to enter into Gujarat with the power of their wisdom, which has turned into a legend.

Zarathustra belongs to such remote antiquity that we do not even know for certain exactly when and where he was born. But his religion has survived miraculously that he inspired to unravel. Zarathustra wanted to know the mystery and the untold secrets of life like Buddha. He wanted to dig out the reasons of suffering and demise in life and also the origin of evil. He gives us a simple but tough creed to pursue in life-Humata, Hukhta, Huvarastha, (Good Thoughts, Good Words, Good Deeds). A life of active good to others; people, animal and nature, is at the core of his religion.

There must have some reasons because of the decline and deterioration of this rich and minuscule community in a huge country like India with great racial differences. Firstly, in this clan, there are no inclusion and exclusion. Therefore, one

can be a Parsi only by birth. They do not accept marriage outside the community. Their birth rate is very low because of their unwillingness to marriage and their belated marriages. Secondly, the emergence of Sena-fundamentalism is another important reason for the decline of the community. Thackeray's policy 'Maharashtra for Maharashtrians' which repudiates all the non- natives and they forget that it is the Parsis who have built the city and contributed to its immense economic prosperity by their sheer dedication and hard work. All these factors lead the Parsis to develop distaste towards natives and in turn the natives could never accept them into their fold. Thirdly, in the age of globalization in which the phenomenon of multiculturalism has emerged, it has become almost impossible for the minuscule cultures to hold their distinct status in the society. Multiculturalism is nothing but a tool in the hand of the Western world to put the entire Eastern culture under the shade of their culture. Khushwant Singh, showing his concern for the community has observed in his *India: An Introduction: It is a dying community: the rate of death is higher than the rate of birth: they admit no converts nor recognize offspring of non- Parsi fathers as Parsis. An increasing number of Parsi girls now marry outside the community.*

To the Zoroastrians, fire is of high significance. Fire gives light, warmth and energy to the other six creations, and so creates life. The Atash Behram or the Holy Fire is the most important and the sacred fire. The Prophet saw fire to be the physical representation of Asha- Order /Truth / Righteousness. The *navjote* is a ritual that takes place before puberty between age of seven and nine for both boys and girls. It is the first time that the child wears armour of the religion": the sudrah (shirt), kusti, which should then be worn every day for the rest of his/her life. They believe that children cannot tell discrepancy between right and wrong, and therefore cannot sin. The sudrah (shirt) is made of white cotton to remind wearer that his/her deeds must be as pure and stainless as the sacred shirt they are wearing. Another exceptional ritual that they observe is that they do not bury or cremate the dead body but leave it in Dakhma or the 'Tower of Silence' to be devoured by vultures. This is done to ascertain purity of the elements and to blur the gap between the poor and the rich.

To conclude, we can assume that if the name of Zarathustra gets effaced from this world but his credo will never die away. Later religions, Judaism, Christianity, and Islam, all borrowed from His teachings. Thus, the cultural predispositions, the social sanction and cultural values of the Parsis and their cultural marginality in India, have encouraged them to become efficient and potential entrepreneurs.

Impact of Entrepreneurship

The entrepreneurship has large socio-economic impacts on the society. The followings are some of the significant influences of entrepreneurship on various dimensions of a country.

Entrepreneurs Introduce Innovations and Induce Economic Growth

Entrepreneurs often create new technologies, develop new products or process innovations, and open up new markets. Entrepreneurs who bring innovations to the market offer a key value-generating contribution to economic progress. Compared with incumbent firms, new firms invest more in searching for new opportunities. Existing firms might be less likely to innovate because of organizational inertia, which numbs their responsiveness to market changes, or because new goods would compete with their established range of products. Incumbent firms often miss out, sometimes intentionally, on opportunities to adopt new ideas because of the fear of cannibalizing their own markets. For inventors and innovators (who sometimes come from established firms) setting up their own business often appears to be the only way to commercialize their ideas.

Entrepreneurs Increase Competition

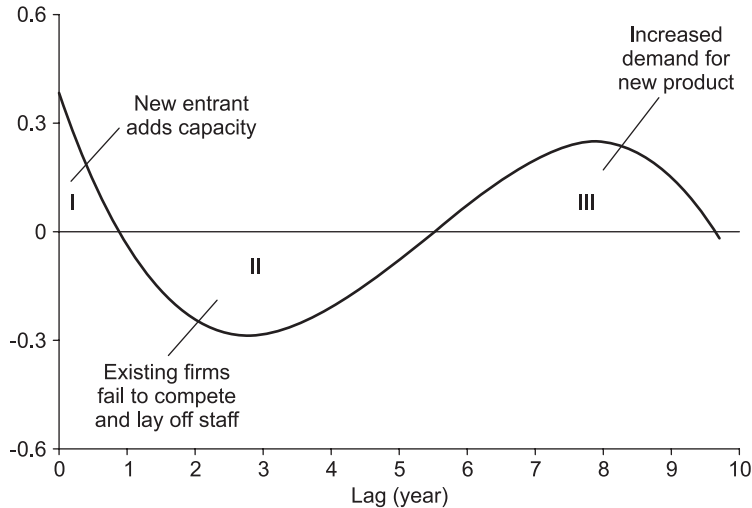
By establishing new businesses, entrepreneurs intensify competition for existing businesses. Consumers benefit from the resulting lower prices and greater product variety. Furthermore, new business formation has an indirect competition-enhancing effect by pushing established firms to improve their performance.

Entrepreneurship Encourages Structural Change

Existing firms often struggle to adjust to new market conditions and permanent changes, getting locked into their old positions. They fail to make the necessary internal adjustments and lack the ability for “creative destruction,” famously described by Schumpeter in 1934. The entry of new businesses and the exit of worn-out firms can help to free firms from a locked-in position. Moreover, entrepreneurs may create entirely new markets and industries that become the engines of future growth processes.

Effects of Entrepreneurs in the Short, Medium and Long Term:

Entrepreneurs stimulate employment growth by generating new jobs when they enter the market. Research has shown (after disentangling all the potential effects) that beyond this immediate effect there is a more complicated, S-shaped effect over time (Figure 2). There is a direct employment effect from new businesses that arises from the new jobs being created. Following this initial phase, there is usually a stagnation phase or even a downturn as new businesses gain market share from existing firms that are unable to compete and as some new entrants fail. After this interim phase of potential failure and displacement of existing firms, the increased competitiveness of suppliers leads to positive gains in employment once again.



Source: Fritsch, M. "How does new business formation affect regional development? Introduction to the special issue." *Small Business Economics* 27 (2008): 245–260 [4].

Figure 1: New business formation has a positive effect on employment in the short and long term, and a negative effect in the medium term

New Businesses Boost Productivity

Competition between new and existing firms ideally leads to survival of the fittest. Even, though overall employment may decline, new firms can foster productivity. The productivity-enhancing effect of business formation occurs in the medium term, when the employment effect is dominated by the displacement of existing firms (area II of the “wave” shown in Figure 2). This happens for two reasons. First, new firms increase competition in the market and thus diminish the market power of incumbent firms, forcing them to become more efficient or go out of business. Second, only firms with a competitive advantage or firms that is more efficient than incumbents will enter the market. The subsequent selection process compels the less efficient firms (both entrants and incumbents) to drop out of the market.

CONCLUSION

As has already been stated in the introductory part of this Paper, this paper was an attempt to study the growth of Parsi entrepreneurs in India and to analyse the determinants of successful entrepreneurship, in the context of Parsi entrepreneurs in India. After studying the economists’, sociologists’ and psychologists’ theories of entrepreneurship and analysing the growth on Indian Entrepreneurs over the years, this paper empirically claims that in developing countries, and also in the developed countries of the world, immigrants generally tend to become entrepreneurs, because

of cultural predispositions, entrepreneurial history, cultural marginality, lack of other job options, taxation and economic policy and trade regulations of the host country. Thus, in developing countries as well as in developed countries, immigrants like Parsi community generally make better entrepreneurs than the natives.

References

- Coulter Mary. (2003). *Entrepreneurship in Action*. New Delhi: Prentice Hall of India Private Limited.
- Entrepreneurship Determinants: Culture And Capabilities*. (2012). Eurostat. Luxembourg: European Union.
- Forbes, James. (1834). *Oriental Memoirs: A Narrative of Seventeen Years Residence in India*. Oxford: Indian Institute.
- Kirzner, I.M. (1973). *Competition and Entrepreneurship*. Chicago: Chicago University Press.
- Knight, F.H. (1921). *Risk, Uncertainty and Profit*. New York: Houghton Mifflin.
- MacClelland, David C. (1961). *The Achieving Society*. New York: Macmillan FP.
- Olearivs, Adam. (1669). *The Voyages and Travels of the Ambassador sent by Frederick Duke of Holstein to the Great Duke of Muscovy, and the king of Parsia*. London: London UP.
- Oliver, Jamie. (2010). *Secret of My Success*. New Delhi: Viva Books Pvt Ltd.
- Sharma Sudhir, BalrajSingh, SandeepSinghal.(2005). *Entrepreneurship Development*. Delhi: Wisdom Publications.

