

Cambridge University Press

978-1-107-01500-5 - India's Late, Late Industrial Revolution: Democratizing Entrepreneurship

Sumit K. Majumdar

Table of Contents

[More information](#)

## Contents

<i>List of figures</i>	<i>page x</i>
<i>List of tables</i>	<i>xii</i>
<i>Acknowledgments</i>	<i>xv</i>
<i>Preface</i>	<i>xvii</i>
1 Vent for growth	1
Outside-the-box thinking	1
India's unique industrial revolution	6
Recent growth performance in India	15
Industry in the second half of the twentieth century	18
Little details supporting the big picture	21
Insights from the big picture	32
2 Industrial revolutions	37
Origins	37
India's role in motivating the industrial revolution	41
Britain and the industrial revolution	46
The American experience with industrialization	48
The democratization of invention	55
The democratization of markets	58
India's non-participation and its consequences	62
3 Aspects of Indian enterprise history	67
Commerce and industry in ancient India	67
Industry and trade in Maurya times	70
India as a medieval economic power	72
Industry and political economy before colonization	76
Transition to British rule and de-industrialization	79
The plantation industries	87
The industrial revolution industries	91

Cambridge University Press

978-1-107-01500-5 - India's Late, Late Industrial Revolution: Democratizing Entrepreneurship

Sumit K. Majumdar

Table of Contents

[More information](#)

viii	<i>Contents</i>
4 The emergence of modern industry	95
Entrepreneurship in the nineteenth century	95
Early twentieth-century tipping point	100
Entrepreneurship in steel	107
The first half of the twentieth century	111
Colonial enterprise exit and multinational entry	115
Industrial policy in the early twentieth century	122
5 Asian late industrialization	126
Late industrialization and its consequences	126
Definition of late industrialization	133
The key components of late industrialization	134
Learning and human capital quality in late industrialization	141
The case of Samsung in the global microwave market	144
The role of the state in late industrialization	147
The political psychology of late industrialization	149
6 Democratizing entrepreneurship	153
The tale of a nationalist entrepreneur	153
Industrial policy in India from 1947 to 1991	157
Institutional change and its consequences	167
Democratizing entrepreneurship	170
Contextual intuition and creative improvisation	172
A manufacturing entrepreneur's tale	176
Emergent Indian entrepreneurship and its profile	179
7 Contemporary India	186
Contemporary Indian enterprises	186
Corporate sector evolution in India	192
The industrial initiatives landscape	198
The small-scale sector in India	205
Beneficial dualism or bipolar disorder	210
8 The services sector debate	217
The services sector role in India	217
Productivity of the Indian services sector	225
Comparison with other countries	229
The tale of South Korea	232
India's China manufacturing syndrome	234

Cambridge University Press

978-1-107-01500-5 - India's Late, Late Industrial Revolution: Democratizing Entrepreneurship

Sumit K. Majumdar

Table of Contents

[More information](#)

<i>Contents</i>	ix
9 A paean for manufacturing	239
Why manufacturing matters	239
The economic consequences of manufacturing	244
General purpose technology investments	248
The political dimensions of manufacturing	250
Guns and butter	254
10 Reindustrializing India	265
Heat and light	265
Entrepreneurial sector transformation	274
Fragmentation and consolidation	278
Information technology industrialization	283
New age manufacturing	290
Resetting the clock	298
<i>Appendix</i>	304
<i>Notes</i>	329
<i>Bibliography</i>	377
<i>Index</i>	401

Cambridge University Press

978-1-107-01500-5 - India's Late, Late Industrial Revolution: Democratizing Entrepreneurship

Sumit K. Majumdar

Table of Contents

[More information](#)*Figures*

1.1	Index of industrial production in India: 1980–81 to 2009–10	page 7
1.2	Indices for the production of capital goods and consumer durables: 1980–81 to 2009–10	8
1.3	Average growth rates in India's national income over six decades	16
1.4	Capital formation ratio in India from 1950 to 2008	22
1.5	Annual number of industrial licenses issued between 1955 and 2008	28
1.6	Growth of exports by Indian firms	31
2.1	Share of manufacturing in the world economy of various countries from 1750 to 1980	63
5.1	India and Japan – share of global gross domestic product, AD 0 to 1998	127
5.2	India and the United States – share of global gross domestic product: 1500 to 1998	129
5.3	Ratio of four countries' per capita income to that of India: 1820 and 1989	130
6.1	Average growth rate in industrial production over six decades	163
7.1	Average number of companies in existence in each decade from the 1920s to the 2000s	194
7.2	Average paid-up capital per company in rupees crores from 1971–72 to 2009–10	196
7.3	Decadal growth rates in average paid-up capital per company	197
7.4	Growth in the total number of factories in the organized manufacturing sector from 1991–92 to 2008–09	199
7.5	Growth in total employment in the organized manufacturing sector from 1991–92 to 2008–09	200

Cambridge University Press

978-1-107-01500-5 - India's Late, Late Industrial Revolution: Democratizing Entrepreneurship

Sumit K. Majumdar

Table of Contents

[More information](#)

<i>List of figures</i>	xi
7.6 Growth in real capital investment in the organized manufacturing sector from 1991–92 to 2008–09	202
7.7 Growth in the value of real output from the organized manufacturing sector from 1991–92 to 2008–09	202
7.8 Levels of real capital investment per employee from 1990–91 to 2008–09	203
7.9 Levels of real output per factory from 1990–91 to 2008–09	204
7.10 Employment in small-scale industries in millions from 1973–74 to 2007–08	210
8.1 Share of agriculture, industry, and services in India's national income: 1950–51 to 2008–09	218
8.2 Changes in sectoral contributions to national income by decades from the 1950s to the 2000s	219
8.3 Growth in the gross domestic product of specific sectors of the Indian economy from the 1950s to the 2000s	222
8.4 Output shortfall percentage relative to actual output due to sector inefficiency	229
8.5 Comparative gross domestic product per capita in US\$ for China and India from 1980 to 2009	235
10.1 Per capita energy consumption: India and China	267
10.2 Growth in per capita energy consumption for India and China	268

*Tables*

1.1 Annual percentage growth in the constituent components of the index of industrial production	<i>page</i> 10
1.2 Growth in the production of specific industrial items between 1981–82 and 2009–10	23
1.3 Production statistics of selected items between 1950–51 and 2006–07	25
1.4 Entrepreneurs' investment intentions in India	29
2.1 Relative per capita incomes from 1820 to 1989 with India's income in 1820 as the base case benchmark	64
5.1 Rise and fall in the inter-se relative rankings of selected late industrializing countries for the years 1913, 1950, and 1987	131
6.1 Motivations for entrepreneurship in contemporary India	182
7.1 The corporate sector in India from the 1920s to the 2000s	195
7.2 Average annual percentage employment growth for a sample of segments of Indian industry in the manufacturing sector between 1993–94 and 2003–04	201
7.3 Size distribution of organized sector manufacturing establishments in India for 2008–09 – size range by employment	205
7.4 Details of the number of units, combined production, and combined employment in the organized and unorganized micro-scale, small-scale, and medium-scale manufacturing sector in India	209
7.5 Details of the number of units and combined employment in the unorganized manufacturing, services, and trading sectors of India for various years	212
8.1 Contributions of different items to total services sector income in India	221

Cambridge University Press

978-1-107-01500-5 - India's Late, Late Industrial Revolution: Democratizing Entrepreneurship

Sumit K. Majumdar

Table of Contents

[More information](#)

<i>List of tables</i>	xiii
8.2 Total output augmentation possibilities in rupees crores for each sector by decade if optimal economic performance had been achieved	227
8.3 Share of agriculture, industry, and services sectors in the national income of nine countries for 2007	230
10.1 Per capita energy consumption in British thermal units for a selection of countries for the period 1990 to 2007	268
10.2 India's per capita energy consumption in percentages relative to a group of countries	269
10.3 Growth in power generation in India in the 2000s	271
10.4 Growth in power consumption in India in the 2000s	272
10.5 Production and growth in production of primary raw materials as sources of power	273
A1 Percentage growth in the index of industrial production over the years	304
A2 Trends in the growth of gross domestic product of India over six decades	305
A3 Indian companies ranked in the global top 2,000 for 2009	306
A4 The 75 largest Indian business groups, by revenues in rupees lakhs, in the mid 1960s	308
A5 Percentage shares of world manufacturing output by various countries from 1750 to 1980	310
A6 Gross domestic product for a selection of countries from AD 0 to 1998, expressed in 1990 US\$ thousands	311
A7 Number of registered companies in India and aggregate paid-up capital in rupees crores over the last nine decades	313
A8 Average paid-up capital per registered company in India in rupees crores and growth in average paid-up capital over the last nine decades	314
A9 Details of number of units in the unorganized manufacturing sector of India in 1989–90 and number of units and employment in 1994–95, 2000–01, and 2005–06	315
A10 Details of number of units, combined production, and combined employment in the unorganized services sector of India for the year 2000–01 and details of number of units and employment in the unorganized trading sector of India in 1997	316

Cambridge University Press

978-1-107-01500-5 - India's Late, Late Industrial Revolution: Democratizing Entrepreneurship

Sumit K. Majumdar

Table of Contents

[More information](#)

xiv

*List of tables*

A11	Share of agriculture, industry, and services sectors in India's national income	317
A12	Gross domestic product growth in specific sectors of the Indian economy	318
A13	Additional output augmentation values for each of the inefficient years for the Indian economy in rupees crores	319
A14	Gross domestic product values for China and India expressed in US\$ for the period 1980 to 2009	321
A15	Indian ordnance factories: locations and capabilities	322
A16	Indian defense research and development establishments and locations	323
A17	Indian defense production undertakings in the corporate sector owned by the state	325
A18	Energy consumption to gross national product ratio for the United States in thousands of British thermal units per 1992 US\$	326
A19	Installed production capacity for various categories of power sources in India and plans for augmenting generating capacity	327
A20	Installed production capacity for various categories of power sources in the United States	328