fundamentally changed the agro-farming technique in America. By the [illegible] of the American Civil War (1861–1865), industrialization had spread ou[illegible] most parts of the United States.

After the Civil War in the United States, the beginning of la[illegible] scale industrialization and the growth of the American economy w[illegible] stimulated by a series of inventions and innovations. The coun[illegible] began to witness a stupendous rise in economic and social developme[illegible] following the noticeable growth of mighty business empires under th[illegible] dominance of entrepreneurs. Some of the most famous American owne[illegible] entrepreneurs who made incomparable contributions to the post-Ci[illegible] War industrialization process in the United States were: Andrew Carneg[illegible] (1835–1919), J.P. Morgan (1837–1913), John D. Rockefeller, Sr. (1839–193[illegible]) and Henry Ford (1863–1947).

Carnegie, a Scotch immigrant who started his career in 1848 as a bobbin boy and later as a messenger boy finally by 1870, emerged as the originator of the American iron and steel industry. While Rockefeller was the singularly important founder of Standard Oil Company, Ford was the creator-introducer of the moving assembly line technique of mass production, now extensively used worldwide. Morgan, with the family background in merchant banking, played a major role in financing and reorganizing many companies that were then engaged in the expansion of railway network in the United States. What is equally noteworthy is that none of these great innovators was inventor of anything. As innovator-entrepreneurs, they all were primarily instrumental in identifying unmet opportunities and also in getting the best out of such opportunities. In summary, reliance on private initiative and innovations by individual entrepreneurs had a profound effect upon the American economy as it emerged subsequently.

India

Agriculture was and has always been the dominant occupation of the people in India. But even in ancient times, many Indian products enjoyed worldwide reputation. Notable among those were: the muslins of Dacca, calicos of Bengal, exquisite sarees of Benaras, chints of Lucknow, dhuties and dupattas of Ahmedabad, woollen shawls of Kashmir and aromatic spices of Kerala.

During the medieval times, manufacturing activity used to be carried out as cottage industry by individual craftsmen. The craftsmen of the Emperor Ashoke's time were much skilled in the art of cutting and carving stone. Indian craftsmen showed masterly performance in the art of metal craft as may be evident from the world famous 1600 years' old iron pillar that still stands adjacent to the Qutab Minar in New Delhi.

Historically, in pre-eminently agrarian countries, as was India, affluent people—for instance, rajas, nawabs and landowners—considered land ownership as a means of social and political power. They, generally, did not favour using their cash supplies in risky long-term industrial investments. Besides, the culture of a poor country placed greater value on the construction of excessively decorated memorials and places of worship, and/or on repeated observance of social and religious ceremonies. These activities required money, but they did not serve any productive economic purpose. In the absence of organized banking facility, scattered small savings of the public could not be channelized for investment in industrial development. The few with entrepreneurial spirit, even if they existed, were discouraged from starting risky ventures because of technological barriers and inability to secure required capital.

Further, while under long British occupation, colonial apathy, lack of infrastructure, non-existence of capital market, shortage of investable finance for investment and non-availability of technical know-how posed hurdles in the process of industrialization in India. Despite the availability of manpower skilled in metal craft in early times, India's metal manufacturing activity remained a cottage industry for a long time. In the early 19^{th} century, some attempts were made, mostly by the European businessmen, to set up mechanized processing operations. Among them, major efforts were made in 1815 with the first iron-smelter in Tamil Nadu, in 1818 with the first cotton mill near Kolkata, in 1820 with the first coal mining in Ranigunj (West Bengal) and in 1823, with the first coffee plantation in Tamil Nadu. During the late 1820s, an Englishman, Heath, founded an iron plant in Tamil Nadu using ores from neighbouring Salem. During that period, another iron-smelter plant was started in Birbhum (West Bengal). However, most of them did not survive for long due to a variety of problems.

Around the mid-nineteenth century, Britain as the leading industrial nation and the major trading country dominated the world economy. To support its expanding industries and meet the needs of its growing population, Britain depended heavily on the increasing supply of imported raw materials. Eventually, many Englishmen moved to different British colonies and engaged themselves in various business operations there. Thus British colonies were utilized to ensure that they provided not only the raw materials for Britain's industries, but also markets for British products.

Nevertheless, following sustained efforts of few European businessmen, mostly British though, modern industrial entrepreneurship emerged in India in the 1850s. This was possible with the construction of India's first railway system between Mumbai and Thane in Maharashtra, by Great Indian Peninsular Railway Company of London in April 1853. The opening of the railway network by the British company was a giant leap towards the dispersal of mechanized manufacturing activity in India. Jute processing, already a well-established cottage industry in Bengal, was modernized by the English and some Scotch entrepreneurs in 1854. The first mechanized textile mill, Bombay Spinning & Weaving Company, was founded in Maharashtra by a Parsi entrepreneur in 1854. The beginning of mechanization of coal mining in 1870 further paved the way for expansion of modern factory system in India. In 1875, first attempts were made to produce steel by modern technique. In 1892, Prof. Prafulla Chandra Roy (1861–1944) started in Calcutta (now Kolkata), a chemical and pharmaceutical plant, which later became famous as Bengal Chemical & Pharmaceutical Works Ltd.

Gradually, more Indian entrepreneurs set up mechanized modern factories and notable among those were — India's first modern iron and steel mill built at Jamshedpur (Jharkhand) by Tata Iron & Steel Company in 1908 and another iron and steel plant at Burnpur (West Bengal) by Indian Iron & Steel Company in 1919. The First World War (1914–1918) led to a sharp decline in imports from Britain and other countries. During this period, the British administration granted some protection to a few Indian industries. As a result, some of the industries made smooth progress and more Indians devoted themselves to entrepreneurial activities. By the end of the war, quite a few Indian industries had managed to register a moderate growth. Among the noteworthy were iron and steel, cement, tea, coffee, coal, cotton, textile and jute industries.

Following the First World War, the British entrepreneurs started taking more care in furthering the growth of their commercial establishments in India. And in this direction, they introduced, among other things, the managing agency system in India. The managing agency firms were owned and managed by a new generation of entrepreneurs, mostly British and Scottish, and a few Indians. They not only focused on introducing new processing techniques and creating new markets, but they also diversified to other areas. The managing agents played an all-in-one role for they assumed the entire task of providing finance, setting up and managing industrial units, identifying new opportunities and also selling products to customers. In those days promoters, financers and qualified managers were not readily available and hence the acceptability of the managing agency system. However, following Independence, Government of India having decided to actively participate in industrial sector and also to play a central role in developing and financing private entrepreneurship, in the late 1960s it was decided to do away with the managing agency system.

The Second World War (1939–1945) also created favourable conditions and provided stimulants for further growth of a number of Indian industries engaged in the production of both the consumer and capital goods. Before Independence, a vast majority of Indian entrepreneurs were mainly from leading traditional Indian business communities, primarily Parsi, Gujarati, Chettiar and Marwari. In fact, the Parsis had always been in the forefront of India's modern industrialization movement. Beginning from Jamsetji Nusserwanji Tata (1839–1904), the members of the Parsi community made enormous contributions to not only India's industrial progress, but also to its socio-economic development.

At the time of Independence, India's industrial base was still restricted and largely concentrated in and around the prominent port cities of Bombay, Madras and Calcutta. Heavy engineering and core industries, that play a key role in the growth and expansion of any entrepreneurial activity, did not make much progress. After Independence, policies adopted to develop basic infrastructure and core industries helped spread entrepreneurial culture to new areas. Implementation of steps for providing necessary basic facilities essential to industrial growth had gone a long way to widen the nature and scope of entrepreneurship in India.

From the early 1950s, when the First Five Year plan was enforced, India made a good beginning for orderly expansion of its capacities in both consumer as well as capital goods. A steady beginning was also made for the expansion and diversification of public sector entrepreneurship under state control in core industries, including railways, shipping, aviation, heavy engineering, heavy electricals, power generation, fertilizer and oil exploration as also refining. There was also a rapid growth of private entrepreneurship in varied areas covering both capital and consumer goods industries.

Since Independence, numerous steps, including setting up of financial and developmental institutions, were taken to assist the growth of private sector industries. Banks were nationalized (1969) with a view to ensuring that their funds were made available to the common man and not just to a few wealthy families. The capital market has been sufficiently augmented to channalize public savings from small investors into private industries. Provisions have been made for making available, among other incentives, machinery on hire purchase, accommodation in industrial estates, liberal finance and so on.

Entrepreneurship in India is now recognized as a source of making money and acquiring social status. With more and more rural artisans, engineers, technicians and educated young persons becoming entrepreneurially-inclined, the composition of the entrepreneurial class continues to change in recent times. Government's preferential policy towards small scale industries has made possible the rapidly increasing presence of small entrepreneurs. A whole new class of entrepreneurs from non-traditional communities, who are financially not well-off, are being encouraged and empowered to widen the base of entrepreneurship. Eventually, India's industrial base, covering a host of important products in both goods and service sectors, has now been markedly modernized and enlarged to cater to not only domestic market but also to the export demand. Noteworthy among these products are—automobile, glass, vanaspati, drugs and pharmaceuticals, industrial chemicals, footwear, iron and steel, heavy engineering, tea, coffee, garments, fertilizer, information technology and many more.

Since the early 1990s, Government of India has initiated new policy decisions in order to assign specific roles and areas of operation to different categories of entrepreneurs. Despite varied steps, including doing away with the licensing system aimed at promoting growth and operational efficiency of domestic entrepreneurship, the Indian entrepreneurs, by and large, still continue to focus mainly on production and not innovation. India has expanded and diversified its industrial base in a big way yet its innovatory eagerness and capability are noticeably inadequate, if not absent. The Indian entrepreneurs, more keen on operating in a traditional manner, are lacking in the will to become world class innovators of things that are essential to global competitiveness. However, in free-ma economy, the nature of modern entrepreneurial trends emphasizes the for India to firmly inculcate the culture of innovations as a continuous pro

ETHICS AND THE ENTREPRENEUR

Ethics

Is it proper for someone to seek one's own happiness or advantage without any concern for others? Do we look for wealth, material comforts or wisdom? Ethics analyses these complex questions and teaches good sense about what is right or wrong, what is good or bad, and what should be one's moral duty and obligation for the highest good of mankind. Simply stated, ethics deals with the moral principles or rules of conduct of human beings at all levels. This is why ethics is regarded as a branch of moral philosophy. In substance, ethics may be defined as a set of orderly rules or principles of conduct that deal with what is good or bad in the matter of moral duty and obligation of an individual or a group.

Ethics and the Vedic Writings

The writings in the Vedas discuss the ideals of human conduct governing an individual or a group and explain how a man's practical ways of life should be. The Vedic moral philosophy deals with both individual and social aspects of human life and suggests different methods in which human values, both as means and ends, can be realized. Its teachings provide insights into not only the principles and rules of right action or conduct but also the consequent reward or retaliation that follows. A good action gets its reward, but a bad one leads to pain and penalty. Thus, the Vedas, that date as far back as 1500 BC and is believed to be the oldest philosophical literary work in the world, are of permanent universal interest. Accordingly, the Vedic writings are regarded as the first philosophical ethics; and western moral philosophers too acknowledge this fact.

Fields of Ethics

Ethics is broadly divided into two major fields, namely metaethics and normative ethics. Metaethics involves moral concepts and judgments relating to natural or supernatural, i.e. metaphysical, elements in the world. Normative ethics is primarily concerned with what should be the norms or standards of moral goodness or rightness of everyone in the society. It justifies and presents the general principles of right action or conduct governing an individual or group and serves to guide, control or regulate the proper and acceptable behaviour. Normative ethics, being commonly related to general moral principles or rules of conduct, is also called moral philosophy. Another school of thought propounds a third sub-area of ethical principles and this is termed as *applied ethics*. Applied ethics, it is said, relates to the application of normative theories to practical moral problems in the day-to-day life of human beings.

Theories of Normative Ethics

Normative ethics presents the general moral principles based on three different systematic views. These relate to the principles of (i) utilitarianism, (ii) rights and (iii) justice. The theory based on utilitarian view requires that the goodness of a conduct or action should be decided by considering the ultimate usefulness or consequence of such a conduct or action. The fundamental idea being that a conduct or action should be aimed at deriving the greatest happiness or advantages for the maximum number of people. The theory based on the principle of rights calls for honouring the privilege to which one is justly or legally entitled. The third theory pertaining to the idealism of justice demands that a conduct or action should follow the rules of law, equity and natural justice, and thus ought to be proper, impartial and fair.

Influence of Surroundings

The mental image of what is ethical or unethical conduct varies from person to person. This is because the concept and standards of a person's ethical or unethical behaviour are both influenced by various factors in an individual's surroundings. These include parents, other family members, teachers, friends and neighbours; long-established social custom and religious traditions; political attitude and legal system; economic condition; and practices at workplace. Besides, an individual's inherent nature may also be largely instrumental in shaping a person's own beliefs about what is right or wrong and good or bad, and also in deciding upon the appropriate plans and actions under specific circumstances. In a workplace, the work culture and business practices in general and among higher authorities will have a strong impact on the ethical or unethical conduct of individual employees.

Ethics in Entrepreneurship

Ethics is applicable as much to a business as to any other activity in human society. Business success of a company will depend much on the cooperation and support of the people who work for it and are associated with it. But the satisfaction and the resultant cooperation of these people are closely related to the kind of moral principles adopted and implemented by an organization and its owner-operators. Therefore, it would be worthwhile to speculate beforehand the probable implications and repercussions of the standards of business conduct being practised in a certain place. In fact to get the cooperation and support of all those who matter, a firm, as a social institution, should necessarily duly perform its moral duties and obligations in socially responsible ways. So in business, discharge of social responsibility in keeping with the basic principles of goodness or rightness constitutes the proper matter of ethics that governs an enterprise and its individuals.

Business plans and practices should be judged by their results, that is to say whether those will derive the greatest good for the maximum number of people. This explains why business people generally adopt ethical decisions according to the theory of utilitarianism. In effect, the utilitarian theory seeks to protect interests of the majority. But the current trend in trade and social policies lays emphasis on individual rights, social justice and consumerism implying satisfaction for all. This is precisely what the theory of normative ethics suggests. Thus, there are conflicting views on whether business ethics should be based on the principles to satisfy the majority or all? Good ethics, however, demands that if a course of action in a certain time or place fails to serve the desired purpose, it should be adjusted and made businesslike, of course, in line with the ideals of right conduct.

Many feel that an organization should first evaluate and then decide the appropriateness of a line of action to be implemented; and this should be done after taking into consideration various aspects of its business. *Broadly speaking, some of the prominent ones among these are — recognizing the rights of others; doing justice to others; and not doing anything unfair or unlawful that would harm a company.* These aspects will have significant bearing upon how a firm conducts itself in dealings with not only those who work for it and are associated with it, but also several others in the society. Ethical issues in business, therefore, demand that entrepreneurs must be thoroughly careful about their social responsibility and obligation, like ensuring fair play with all employees; safeguarding the rights of consumers; protecting the interests of investors; maintaining fair trade practices with suppliers, dealers and creditors; participating in social welfare programmes; carrying out environment-friendly measures and so on. We will now consider some of these.

Employees. Ethics has an impact on how employees are treated and how they do their jobs. A company needs and employs workers for its benefit. The applicants, therefore, are to be selected strictly on the basis of job-related qualification, aptitude and, if necessary, experience. Job applicants should not be discriminated on considerations other than their qualification, merit and competency. Other major ethical issues, especially relevant to organizational behaviour, include matters concerning pay, training, promotion, personal privacy, harassment and termination of employees. They expect adequate financial rewards, job security and conducive work atmosphere. As regards pay and promotion, due recognition is to be given to efficiency, performance, dedication, loyalty and human needs.