

NEW INSIGHTS



THE  
SUCCESS  
STORY  
OF  
AN ENTREPRENEUR

By Bhavarlal Jain

WHO IS AN ENTREPRENEUR?

Every generation, said Jefferson, needs a REVOLUTION. The French Revolution in France, the Russian Revolution in Russia, the Cultural Revolution in China and if I may so add, the Industrial Revolution in Europe - all typify and bear testimony to that statement. The advent of Hinduism, the offshoot in the form of Jainism, the phenomenon of Islam and the spread of Christianity all signify a radical change, a shake up and a departure from routine, well established Dogmas, Principles, Policies and Practices. In the field of education, the ancient system of Open Universities gave place to classroom teaching, and theoretical knowledge and learning had to be coupled with practical experience. The generalised system of education was slowly replaced by highly specialised branches of knowledge. Slow, time consuming and labour intensive technologies were rendered obsolete and were replaced by high-tech factories. This happened mainly in the field of industry. Similarly, the age old myths surrounding the high seas, the blue skies and insurmountable mountain ranges - were all questioned and conquered by the insatiable thirst for adventure of some of the most distinguished sons of mother earth. In families all over the world, the cultural autocracy of the head of the family was replaced by the autonomy of the next generation. The at one time almost non-existent entity by the name of The State and/or the Government, has now become for most of humanity, an all pervasive omnipotent force. The individual who sought to be freed from the yokes of the head of the family, became a willing member of the new society in which almost his entire life is now governed by an all powerful factor, namely the Gov-

ernment. Thus, far reaching changes of deep significance developed in the social structure, of all industrialised countries.

You will observe that these transformations and structural changes were brought about from time to time in almost every field which encompasses human existence. It may be Political, Social, Cultural, Religious, Industrial, Educational or Commercial. Who brought about these changes/transformations? To my mind all those who can be credited with having played one of the most significant roles in making such a widespread impact of lasting nature, should be described and saluted as "Entrepreneurs".

WHY IS CHANGE INEVITABLE?

It is not difficult to see that in any society -institutions, systems, policies, philosophies etc. eventually outlive themselves just as products, processes and services do in the world of business. This happens either when they have achieved the objectives for which they were designed or when they have failed to do so. Thus the change is inevitable. The harbinger of change in a very real sense, therefore, is the "Entrepreneur". Even Laws made by the Government are not forever, though many would seem to believe so. In the United States, for example, there has lately been a rash of "Sunset Laws", which prescribe that Governmental Agencies or Public Laws lapse after a certain period of time unless specifically re-enacted. The great shining promise, the Welfare State launched in 1873 is also fading away rapidly. (Example: The Thatcher Government in Great Britain). The principle of Laissez Faire (1776) is close to the hearts of all entrepreneurs and therefore we may say that the history is repeating itself

after 200 years. Does it mean that change means a Revolution ? Or that every revolutionary is an Entrepreneur ?

IS REVOLUTION THE ANSWER ?

It would be wrong to assume that Revolutions are a very desirable phenomenon in themselves. If anything, the 19th Century Revolutions, mentioned above, were a great delusion. The net result of the French Revolution was subjection of the whole country to an uncontrolled elephantine Bureaucracy ; the centralisation of all Political, Intellectual, Artistic and Economic life in Paris. The main consequences of the Russian Revolution were a new type of serfdom for the tillers of the land, a formidable new Secret Police, a rigid, corrupt, and stifling Bureaucracy - the very features of the Czarist Regime against which the Revolutionaries had protested. The same can be said of the Cultural Revolution. These Revolutions are not the answers or remedies to the problems of society. In fact, these objectives can be better accomplished if we encourage entrepreneurship and innovative in every sphere of our social and economic lives. How ?

ENTREPRENEURSHIP IN GENERAL

Take the example of Mahatma Gandhi. His "Technology of Non-Violence" solved a formidable problem, and enabled him to light the all powerful British empire in a unique and most effective manner. There were not many blood baths, civil wars or economic catastrophes and no concentration camps. Contemporary to him was yet another entrepreneur, Subhash Chandra Bose. He tried to achieve the same objective in a different manner. He did succeed, but only to a

limited extent. How did the Mahatma bring about the downfall of the British Empire ? One brilliant example is the stunning move in 1930 of the Dandi Yatra - the salt march. The life of entrepreneurs is full of such adventures, e.g. Moses, Mohammed and Mahavir. You will find a common thread in all their attempts. There is a measure of thoughtlessness in their approach and in their actions. There is not too much planning, but there are hosts of other attributes which are common to them : Creativity, Flexibility and Sensitivity. Each one of them had "Freedom" - freedom to manoeuvre, freedom to fail. This is part of their pioneering heritage. They, in fact, did not succeed because of the system, they succeeded in spite of the system. Were these people day-dreamers ? No. They were pragmatic rather than dogmatic. They were modest rather than grandiose. They were never disheartened because they were self-renewing. For them their objective was life-sustaining. For them, the process of learning and re-learning was continuous. They were specific but flexible. They experimented with truth while they fought. These were the entrepreneurs who had Vigour, Vi-

sion and Values. They took great risks and history rewarded them. These are the entrepreneurs in the "general category".

#### ENTREPRENEURSHIP IN BUSINESS AND THE ROLE OF GOVERNMENT

Entrepreneurship is needed in society as much as in Government. In public service as much as in business. In business, the fiscal policies of the Government play a vital role in encouraging or discouraging the spirit of Entrepreneurship. The tax structure in an entrepreneurial society should be such, that it will encourage capital formation. (In Japan each adult is allowed a savings account, the interest on which is tax exempt. The world's highest rate of capital formation is the result). Before the Government enacts any law it must consider and ask itself one question : "will it impede and penalise Innovation & Entrepreneurship" ?

The flow of new ideas as measured by number of patents issued is the highest in United States. Why ? How ? It is a truly free society - a corporate society. And it has an Educational system without a "Ministry of Education". Without un-

necessary systems or bureaucratic structures or a cobweb of rules and regulations. They do not produce tons of red ink or heaps of files. In Japan they have enacted a law against increasing the number of persons in Government Services. Only judicious lawmaking by our Government will lead to more innovation and establishment of an entrepreneurial society. Delay is Dangerous. Let us not perpetuate our systems of subsidies and red-tape and licences and permits for everything under the sun. The economy is now being liberalised but more with a view to attract major industrialists from abroad rather than to boost our own entrepreneurs and equip them to tackle competitors from any country in the world. Our Government should simultaneously encourage creativity, innovation, capital formation, leadership skills, management skills, communication skills and integrity in our own army of millions of entrepreneurs and also provide them with the latest technologies and raw materials from all over the world at a competitive cost.

*The author is the Chairman of Jain Group of Industries, Jaigaon*