

Mircea Raianu, *Tata: The Global Corporation that Built Indian Capitalism*, Cambridge, Mass, [Harvard University Press](#), 2021. xiii + 291pp., figures, appendix, notes, index. Hardcover; ISBN: 9780674984516. US\$39.95.

As the writer of a Harvard case study on the Tata group, and a serious student of the Indian economy for close to two decades, I read Mircea Raianu's book on Tata with much interest. This book is probably the first professional historian's depiction of the evolution of Tata. The author shows a remarkable understanding not only of Tata but also the broader economic and political context of India. The book is incredibly well researched, though I will offer a counterpoint in this review to some of the conclusions of the author.

Historical causality is complex. Raianu draws upon the well-established language of historical conjuncture to simplify this complexity. He offers three broad reasons for Tata retaining a significant degree of autonomy, growth and success over its remarkably long history: transnational connections; control over land, labour and natural resources within India; and networks of scientific and technical expertise cultivated through strategic philanthropy. The author draws these conclusions based on a detailed historical account of Tata in the first half of its history. In my view, while he is quite right about the first factor, the other two factors do not satisfactorily explain the longevity of Tata's success and the wide range of businesses it was able to put together over the last 150 years.

Tata is arguably the first Indian enterprise with a completely global outlook right from its inception, both for factor inputs (labour, capital, material, technical expertise), and for selling its output. Despite facing stiff political opposition during the pre-Independence years, Tata's leadership differentiated political 'Swadeshi' (a movement to go local) from economic 'Swadeshi'. Economic Swadeshi necessitated a global outlook to bring the best of the world's necessary resources home and to be globally competitive. Raianu's astute observation that this is a critical success factor for Tata holds true to this day as the strategy of both inward and outward internationalization helped many Indian enterprises, including Tata, to cope with and to survive the sudden unleashing of economic liberalization in India during the 1990s that ushered in global competition.

However, the other two factors identified by Raianu, control of land and natural resources and networks of expertise through strategic philanthropy, certainly helped Tata during its initial decades, but their strategic importance diminished rapidly over time. While for some businesses of Tata, like Tata Steel and Tata Motors, land and natural resources continue to hold strategic importance, most other businesses such as Tata Consumer Products, Tata Consultancy Services (its IT services arm), and Tata Capital are dependent more on knowledge resources. Tata, in fact, is no longer competitive in terms of land and natural resources when compared to new business groups such as Ambani and Adani. As Raianu himself points out in the epilogue of the book, 'the company decisively moved away from a Jamshedpur-centric model' (209). Even the third factor, strategic philanthropy facilitating networks of technical expertise is no longer true as Tata employs hundreds of thousands of technical manpower today. Given the size of the group, Tata's dependence on institutions founded through its philanthropy such as the Indian Institute of

Science and the Tata Institute of Social Sciences is quite negligible today. However, Raianu was spot on in his assessment that Tata pioneered the idea of ‘constructive philanthropy’. Tata’s philanthropy is quite strategic and targets India’s needy sectors such as healthcare, (Tata is quite big in cancer care), and education. If Tata continues to enjoy networks or social capital for various capabilities needed by its businesses, it is primarily due to the trust that it has engendered not only in India but around the world for its rock-solid and consistent value system.

A few things that could have been done better. There is always a balance between narrative momentum—keeping the story simple and engaging—and demonstrating rigour in connecting the story to archives. In some sections of the book (for example, Chapter 4 and 5), the story gets lost in historical details. Second, the organization structure of a complex group like Tata (or for that matter, Birlas, the other large business group from India) is difficult to describe in words. For example, the connections between Tata & Sons, Tata & Co., and Tata Limited etc. becomes very confusing to the reader. Charts, diagrams, and tables could have been used for their better explanatory power, and also to break up the monotony of text. Lastly, the author makes a few exaggerated statements that sound somewhat jarring, as in “The creative destruction posited by Austrian economist Joseph Schumpeter...seems to have stalled in India” (2) or the portrayal of Tata (using quotations by activist author Arundhati Roy) as a colossus holding an oligopolistic sway in many product markets in India. As any close observer of India would know, both are not true. I wish J.R.D. Tata was alive to respond by repeating his sarcastic remark made in the seventies, “As I wake up every morning, I carefully consider to what purpose I shall apply my great powers that day. Shall I crush competitors, exploit consumers, fire recalcitrant workers, topple a Government or two?” (192).

Raianu’s thoroughly researched story of Tata is very timely. For there are some truly unique aspects to the Tata story that the world needs to read. The first is the unique organization structure of Tata, two-thirds of which is owned by charitable trusts. That is why, despite Tata’s global size, no Tata family member figures in the world’s billionaire list. The foundations for this, as Raianu points out, were laid right at its inception influenced by Gandhian thought. With ever widening gap between the rich and the poor in the Western world and the need for compassionate capitalism, this is a truly unique structure that the corporate world can learn from. The second is how corporate social responsibility (CSR) could be a foundational value for a business enterprise. When the world is waking up to the critical need for CSR and putting in place regulatory structures to ensure it, policy makers can take lessons from Tata which has woven CSR into its value system more than a century.

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