

Case Study

Marwari Entrepreneurship

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A B S T R A C T

This is a discussion paper on Marwari Entrepreneurship – which has now declined and is on the verge of extinction. Marwari Entrepreneurship is a part of traditional Indian practice – which had its own systems. This paper describes about Introduction, history, and evolution of Marwari entrepreneurship, its characteristics, and later at decline of Marwari Entrepreneurship.

Keywords: Entrepreneur, Tradition, Business, Accounting, Interest

Introduction

Many studies have been carried out on different types of entrepreneurship. However, Marwari Entrepreneurship has been ignored by the scholars so far. This is an incredibly old branch of entrepreneurship, which was prevailing in the Western India. Marwari Entrepreneurs or Marwari Entrepreneurs used to migrate from Western India to all parts of India. They have been practising entrepreneurship as per their traditions and this was based on certain principles and values.

History and Evolution

Examples of Marwari Entrepreneurship are found in history – as back as over 1000 years old texts and treatise. Marwari Entrepreneurs contributed to development of temples, cultural places, religious buildings, and other institutions for the society. They used to donate extensively towards development of common resources in cities and villages of Western Rajasthan.

Characteristics

Marwari Entrepreneurs have following characteristics: -

Simple Living and Simple Lifestyle: Marwari Entrepreneurs were known for their frugality and their ability to save out of their limited income, which they used to invest back in their business

Accuracy in Accounting and Interest: Marwari Entrepreneurs were accurate in their accounting and interest calculations. They used to keep well maintained records of their accounts.

Family business: they used to follow HUF system – which is called “Hindu Undivided Family” – this was the base of Marwari Entrepreneurs

Values of Respect to Environment: Marwari Entrepreneurs were following age old principles of Indian philosophy – which were followed in India for an exceptionally long period of time. The basic idea was to respect nature, world ecosystem and environment. They would start their day with respect to Laxmi and Ganesha – which would symbolize respect to the universal spirit. They would respect Shubh and Labh which would mean respect to wellbeing of everyone and profits.

System of Gaddi: Marwari Entrepreneurs used to have their Gaddi-a type of office management where people would do their business using a traditional office system which is called Gaddi. There would be a Munim in every Gaddi who would be working as manager cum CEO for that business house. Munim would enjoy lifelong employment in the Marwari Enterprise and would be responsible to keep his Gaddi as a profit centre.

Decline of Marwari Entrepreneurship

Marwari Entrepreneurship has now declined and is on the verge of extinction due to changed socio-economic conditions and due to changing social values. Reducing family size has also resulted in decline of this branch of traditional entrepreneurship.

Need of Study

There is a need to conduct study on traditional entrepreneur

-ship which will help in development of new branches of entrepreneurship. These branches of study will become extinct in some years to come.

Pointers for Discussion

- What are the salient features of Marwari Entrepreneurship?
- Compare entrepreneurship styles of Birla group to that of any other modern group.

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