

University of Haifa
School of Business Administration
International MBA Program

Course name: Culture, Economy and Business development in India

Class: Orchid (course 209.4955)

Period 6: October-December 2020)

Lecturer: Dr Steven Raj Padakandla

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Objectives of the course:

- To help students appreciate complex organizational processes and adapt to the new environment for decision making
- Understand the influential institutions of Indian: its history, culture, politics & government, & economy
- Comprehend the Indian business environment: its prospects, the inherent risks and challenges of doing business
- Learn how to manage these risks within constraints imposed by the regulatory environment and key institutional voids
- Identify the changing business scenario and the emerging opportunities for operating successful business ventures in India.

Structure and methodology:

The course is divided in eight sessions of 3 hours each. The sessions are divided in to four parts. Part 1 deals Introduces the history, culture and society of India and gives a basic understanding of its political structure, mode of governance and its economy. In the 2nd Part we understand the aspects of Indian Business culture – its origins, structure, networks, work ethics and the role of hierarchies. The third part deals with the practical aspects of doing business in India; its business environment, risks and challenges and how foreign firms try to navigate it. In the fourth part we discuss the evolving Indo- Israel Business Cooperation.

Students are requested to go through the required readings before the beginning of the course. The instructor will expand on key features in each one of the chapters.

Grading and Assessment:

Students will be assessed on the basis of a report of 4000 words on a subject related to the theme of the course and approved by the instructor.

Deadline for submitting the report: 31st December 2020

Required Preparations:

Readings in the bold are compulsory to make the discussion more meaningful. PDFs and other links will be sent to the students

Session breakdown

Part 1: Introduction to India: The Indian subcontinent: unity in diversity

I. History, society and culture

1. The making of India: historical background
2. British legacy and the Indian National Congress
3. Ethnic groups and religions
4. Caste and social structure
5. The great divide – Cities vs hinterland

Readings:

II. Political structure and Governance

1. Evolution and Nature of the State
2. The rule of law and parliamentarism
3. The Congress system and conservative democracy
4. Tiers of Government and their role in Business
5. From populism to authoritarianism

Readings:

- Case: Mangal A and Schlefer J. In the name of Democracy: The rise and decline of India's congress party. Harvard Business School. No. 716068-PDF-ENG
- Case: Cavallo, A., Weinzierl, M., Scherf R. India: State Capacity and Unity in Diversity. Harvard Business School. No. 9-719-061. (2019)
- Thakur S. P (1989). Business and Politics in India: A historical perspective. Economic and Political Weekly. July 1 1989. 1437
- Vakulabharanam V (2010). Does class matter? Class structure and worsening inequality in India. Economic and Political Weekly. July 17, 2010 Vol XIV No 29. 67

III. Economy

1. Role of the state:
 - Nehruvian Planning to Economic Liberalization
2. Structure and shifts in the economy
 - Macro-economic fundamentals
3. The transformation paradox
4. From license raj to inspector raj to regulatory raj
5. The Indian middle class

Readings:

- Case: Tulsi Jayakumar (2017). The Indian Economy: A Macroeconomic Turnaround. Ivy publishing. No. W17463-PDF-ENG

- Ahluwalia, M.S (2016). "The 1991 Reforms: How home-grown were they?", Economic and Political Weekly, Vol LI No 29. 39
- Nayar, B.R (1998). Business and India's Economic Policy reforms. Economic and Political Weekly, Sep 19, 1998, 2453
- The elephant in the room India's missing middle class», The Economist, 15 Jan. 2018. <https://www.economist.com/briefing/2018/01/11/indias-missing-middle-class>

Part 2: Introduction to the Indian Business Culture

IV) Evolution of Indian Business Groups: The Great Transition

1. Social Origins of the Indian capitalists
 - Business Maharajas Vs Emerging New Entrepreneurs
2. Structure and networks
3. Ownership patterns and impact on business development
4. Major business groups
5. Emergence of Software Industry

Readings:

- **Ben L Kedia**, Debmalya Mukherjee, Somnath Lahiri, "Indian Business Groups: Evolution and Transformation", Asia Pacific Journal of Management, 23:559-577, 2006
- Jadhav A.M and Reddy V. N (2017). Indian Business Groups and their dominance in the Indian economy. Economic and Political Weekly. July 2017. Vol. LII. No. 29. 85
- Harish Damodaran, "India's New Capitalists: Caste, Business and Industry in Modern Nation", Palgrave Macmillian, 2008, ISBN 978-0230205079
- Anthony P D'Costa, Book Review on "India's New Capitalists: Caste, Business and Industry in Modern Nation", Asian Business and Management, Vol 11, 5, pp 651-654
- Tarun Khanna and Krishna G Palepu, "The Evolution and Concentration of ownership in India: Broad patterns and history of the Indian Software industry", in The History of Corporate Governance around the World: Family Business Groups to Professional Managers, edited by Randall Morck. University of Chicago Press, 2005
- Mehta M. (1987). Evolution of strategy and structure of Indian Business. Economic and Political Weekly.743

V) Indian Business Culture

1. Understanding Business relationships
2. Family Business: impact on corporate culture and work ethics

Reading:

- Case: Raveendra Chittoor, Arohini Narain, Richa Vyas, Chetan Tolia, "Creating a Corporate Advantage: The Case of Tata Group", Indian School of Business, No. ISB005, 2013

- Case: Kannan Ramaswamy, "Reliance Industries: An Indian Family Business Comes of Age in Global Energy and Petrochemicals" Thunderbird School of Global Management, No. TB0303, 2012
 - <https://www.indiatoday.in/magazine/economy/story/19860930-birla-group-divides-business-aditya-branch-of-the-family-gets-lion-share-801286-1986-09-30>
 - Family Business. Editorial Note. Economic and Political weekly, November 2004. 5067
3. Role of Hierarchies
- Lakshmi Iyer, Tarun Khanna, Ashutosh Varshney. "Caste and Entrepreneurship in India", Economic and Political Weekly, Vol XLVIII No 6, Feb 2013
 - Surajit mazumdar, "The Indian Corporate Structure and the theory of Emerging Market Business groups", History and Sociology of South Asia, 6 (2), pp 87-109
 - Upadhya C. (2009). Emergence of New Business Classes. Book Review. India's New Capitalists: Caste, Business and Industry in Modern India by Harish Damodaran. Economic and Political Weekly. May 2, 2009. Vol xlv no 18. 21
 - **Case:** Sangeeta Goel, "East versus West: Armada India's Indigenous Approach to HRM", IVEY Publishing, No. W16312

Part 3: Doing Business in India

VI) Indian Business Environment

1. Legal and regulatory framework
Indian tax structure
 - Income tax
 - Corporate tax regime
 - GST
 - Retrospective tax
2. Technological and financial environment
3. Human resource and employment environment
4. Is there a Pan India approach?

Reading:

Case: The Business Environment of India: A new mandate for reform, Stanford Graduate School, Case: IB-58

Case: Danielle Cadieux. India's Failure to attract FDI. Richard Ivey School of Business. The University of Western Ontario. Ivey 906M82

Siddharthan N S. (2004). Business Environment, Investment Climate and FDI: Chinese and Indian Experiences. Economic and Political Weekly, Sep 4, 2004. 3986

Venkatesan Ravi (2013). Conquering the Choas: Win in India, Win Everywhere. Harvard Business Review Press. ISBN 978-1-4221-8430-1

Kumar. N.C. (2020). Doing Business Ranking: Reforms must focus on ground realities for trade facilitation. Economic and Political Weekly. ISSN (Online) - 2349-8846

- **Destination India 2017**, PricewaterhouseCoopers Pvt. Ltd, July 2017
- Doing Business 2018, Economy Profile, India World Bank
- "Improving the Business Environment in India: Best practices across Indian states" Accenture, Department of Industrial Policy and Promotion, 2014

- <http://www.doingbusiness.org/~media/WBG/DoingBusiness/Documents/Pr ofiles/Country/IND.pdf>
- <http://www.doingbusiness.org/data/exploreconomies/india>
- <http://www.doingbusiness.org/reports/thematic-reports>
- <https://www.thehindubusinessline.com/opinion/investment-treaties-are-a-knotty-affair/article7054030.ece>
- <https://www.brinknews.com/the-biggest-obstacle-to-indias-economic-growth-is-the-governments-fraught-relationship-with-the-private-sector/>

5) Dealing with the Enigma India

- How firms navigate between dynamic consumption patterns and inherent infrastructure problems in India

Reading:

- **Case:** Tripti Ghosh Sharma, Suraj S, Mitali Srivastava, Tarun Chandoke, Prachi Prakash, “Netflix in India: The way ahead”, IVEY Publishing, No: W17100
- Global fashion brands entry strategy in India: Entry strategy in India
- Kapur M., Dawar. S and Ahuja V.R. Unlocking the wealth in rural markets. June 2014. Harvard business review. No. R1406J-PDF-ENG

VII) Foreign Firms in India

1) Foreign Firms in India: Managing Cross Border Ventures

Reading:

- **Case:** Kannan Ramaswamy, “Hero Honda (India) Ltd: Is it ‘Honda’ that makes it a Hero”, Thunderbird School of Global Management, No. TB0145, 2004
- Lall, Sanjaya. (1982), "The emergence of third world multinationals: Indian joint ventures overseas." World Development 10.2 127-146 (Reference)
- World Investment Report (2017), Report on Joint Ventures: Analyze the trends of Joint Ventures in India over the years, with regard to sectors and investors

2) Foreign Firms in India: Targeting traditional strongholds

Reading:

- **Case:** Tripti Ghosh Sharma, Satvik Chundru, Rashi Aggarwal, Aadya Gupta, Mayank Singh, “Amazon’ Kirana Now: The Indian Online Grocery Market”, IVEY Publishing, No. W17147, 2017
- **Case:** Doreen Kum, “Colgate regaining leadership in India’s sensitive teeth market”, IVEY Publishing, No. W15575, 2015

3) Risks and challenges for doing business in India

- a. Natural Monopolies
- b. Retrospective Taxation
- c. Regulatory Rent seekers
- d. Ultra nationalism

e. Sub-national policy risks

- **Case:** Monsanto in India – Doing business in India. Ivey. No 12183

Part 4: Indo Israel Business Cooperation

VIII) Indo Israel Business Cooperation

1) The backdrop: History and Trends in Trade and cooperation

Reading:

- **Ashok Sajjanhar**, “India-Israel relations – A burgeoning partnership”. Observer Research foundation, Jan 2018
 - <http://commerce.nic.in/eidb/>
 - https://www.rbi.org.in/Scripts/Data_ForeignStatistics.aspx
- 2) India and Israel and the middle east: The Indian Diaspora
- 3) Emerging Sectors for Cooperation: Life Science and Pharmaceuticals

Reading:

- Taruni Kumar, “India and Israel: Reinforcing the Partnership”, Observer Research Foundation, Special report, Issue #7, 2014
- <https://www.orfonline.org/wp-content/uploads/2015/01/Israel.pdf>

4) Emerging Sectors for Cooperation

- a. Agriculture and water
- <http://www.businessinsider.in/Heres-why-we-need-to-focus-on-agriculture-in-India/articleshow/48468689.cms>
 - <http://timesofindia.indiatimes.com/india/India-needs-another-Green-Revolution-immediately-PM/articleshow/47858409.cms>

- b. Defense, Aerospace and
- c. IT, Tourism

Readings:

- **Shubhangi Prasad**, “Indo-Israel defence cooperation makes giant strides”, Observer Research Foundation, July 2017
<https://www.orfonline.org/expert-speak/indo-israel-defence-cooperation-makes-giant-strides/>
- **Pushan Das**, “Great expectations: Indo-Israeli defence deals”, Observer Research Foundation, July 2017
- David Keynan, “The Indian Tech Economy- From the Submarines to the Amdocs”,
<https://www.fiicc.in/article-1-fiicc>
- David Keynan, “The Indian Defense Industry”
<https://www.fiicc.in/article-3>

- David Keynan “India’s E-Commerce Economy Gaining Momentum”
<https://www.fiicc.in/india-s-e-commerce-economy>

Additional Literature:

- Akash Kapur, (2013), “India Becoming: A portrait of life in modern India”, Penguin
- Bijapurkar, Rama (2007), Winning in the Indian Market: Understanding the Transformation of Consumer India,
- Budhwar, P. (2001). Doing business in India. Thunderbird International Business Review, 43(4), 549-568
- Chandra, B., M. Mukherjee, M. and A. Mukherjee, “India Since Independence” 2008. Penguin. Chapter 25
- Das Gurcharan (2000), India Unboun: The Social and Economic Revolution from Independence to the Global Information Age’ New Delhi
- Guha, Ramachandra (2007), “India after Gandhi”, Macmillan
- Gunjan Bagla, (2008), Doing Business in 21st-Century India: How to Profit Today in Tomorrow's Most Exciting Market.
- Khilnani, Sunil (1997), The Idea of India, London: Penguin Books
- Krishnan, Rishiksha T (2010), From Jugaad to Systematic Innovation: The Challenge for India, Kindle Edition
- Kudasiya M, (eds) (2011), The Oxford India Anthology of Business History, Oxford University Press, New Delhi
- India 2018: A Reference Annual, Ministry of Information and Broad Casting, New Delhi
- Lall, Sanjaya, (1982) "The emergence of third world multinationals: Indian joint ventures overseas." World Development 10, 127-146
- Lamb, H. B, (1955) "The Indian business communities and the evolution of an industrialist class." Pacific Affairs 28.2 (1955): 101-116
- Markovits, C. Merchants, traders, entrepreneurs: Indian business in the colonial era. 2008. Palgrave Macmillan, NY
- Mazumdar, S. "The Indian Corporate Structure and the ‘Theory’ of Emerging Market Business Groups." History and Sociology of South Asia 6.2 (2012): 87-109
- Nandan Nilekani, (2008), Imagining India: The Idea of a Renewed Nation.
- Piramal, G. Business maharajas. 1996. Penguin Books India
- Sarkar, J. "Business groups in India." in Colpan, A. M., T. Hikino, and J. R. Lincoln, eds. The Oxford handbook of business groups. 2010. Oxford University Press
- The Economist (2011), Special Report on India
- ‘Tharoor, S (2007), The Elephant, the Tiger and the Cellphone: Reflections on India in the Twenty-First Century.

- Tripathi, D. ed. Business communities of India: a historical perspective, 1984. Manohar, Delhi
- Tripathi, Dwijendra, and Jyoti Jumani. "The Oxford History of Contemporary Indian Business." 2013. Oxford University Press. New Delhi
- Venkatesh, Alladi and Suguna Swamy (1993), "India as an Emerging Consumer Society- A Cultural Analysis," Research in Consumer Behavior, vol.7, 193-223
- William Dalrymple, (2009), Nine Lives: In Search of the Sacred in Modern India.

Reference Web links:

- Department of Commerce, GOI
 - <http://commerce.nic.in>
- India Trade Statistics
 - <http://commerce.nic.in/eidb/>
 - https://www.rbi.org.in/Scripts/Data_ForeignStatistics.aspx
- Industrial Policy in India/ Trade Promotion
 - <http://dipp.nic.in>
 - <http://commerce.nic.in>
 - www.indiatradefair.com
 - <http://ipindia.gov.in>
- Policy and Corporate Affairs
 - www.mca.gov.in
 - www.fipbindia.com
 - <http://niti.gov.in>
- Regulatory Bodies
 - www.cci.gov.in
 - www.sebi.gov.in
 - www.trai.gov.in
 - www.irda.gov.in
- Doing Business Web links
 - <http://www.doingbusiness.org/~media/WBG/DoingBusiness/Documents/Profiles/Country/IND.pdf>
 - <http://www.doingbusiness.org/data/exploreconomies/india>
 - <http://www.doingbusiness.org/reports/thematic-reports>
 - <http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=1555>
 - <http://reports.weforum.org/global-competitiveness-index/>

- <http://www.ey.com/in/en/services/tax/ey-doing-business-in-india-2013-14>
- <http://www.nishithdesai.com/information/navigation/navigation2/doing-business-in-india.html>

Guidelines for Students:

- Students are expected to come prepared with the case and readings
- A detailed hand-out covering all the relevant information related to the project will be given to the students later
- Students are encouraged to bring in their ideas, views for a more meaningful discussion

Lecturer: Dr Steven Raj Padakandla

Dr Steven Raj Padakandla is presently Assistant Professor at Institute of Management Technology, Hyderabad. He teaches Macro Economics, International Business and Geopolitics at IMT. He holds a masters in Economics from University of Hyderabad and Ph.D from Andhra University. Prior to joining IMT, Dr Steven worked in several corporates as Economist and Sr. Analyst and was also associated with policy think-tanks. He regularly contributes opinion based articles in various national and international newspapers and magazines.