

2. **Organised Business Interests**

Organised business interests constitute the most powerful pressure group on the Indian social scene, though they operate within a very narrow segment of our society. Among all pressure groups their role in the political system, whether at the regional or at the national level, is most important.

With their vast financial resources, availability of technical and managerial personnel, and due to close links with elite groups in government, administration, major parties, particularly Congress, newspapers and electronic media, they have always enjoyed great advantage over other organised groups in promoting their interests by influencing the governments of the country. Business interests in India, as in any other capitalist country, plays a political role which is, as says Myron Weiner, "inextricably tied up with the development and role of organised business associations".⁶

Business associations of many types—European and Indian, industrial, communal, regional and all-India organisation—arose during the British Raj when as a consequence of the great expansion of trade and commerce and the subsequent growth of modern industries and banking in India, a new class of modern commercial, industrial and financial bourgeoisie arose. The Europeans were also engaged in these activities and pursuing their own interests they set up the first European Chamber of Commerce at Calcutta in 1834 and at Bombay and Madras (now Mumbai and Chennai respectively) in 1836. The first Indian Chamber of Commerce was the Bengal National Chamber of Commerce started in Calcutta in 1887, followed by the Marwari Chamber of Commerce in 1900. However, a big leap was taken when the Indian Merchants' Chamber was founded in

Bombay in 1907, soon followed by South Indian Chamber of Commerce at Madras in 1909. In 1925 G.D. Birla established the Indian Chamber of Commerce "to promote and protect the trade, commerce, and industries in or with which Indians are engaged or concerned."

Provincial organisations of the Indian commercial community also sprang up subsequently, the Maharashtra Chamber of Commerce, for example. Leading Muslim business community also set up a separate organisation in 1932, the Muslim Chamber of Commerce.

In the post-Independence period there emerged three leading groups of business and industry : (1) Federation of Indian Chambers of Commerce and Industry (FICCI) incorporating earlier the Indian Merchants Chamber of Commerce of Bombay, the Indian Merchants Chamber at Calcutta and the Southern Indian Chamber of Commerce of Madras; (2) the Associated Chamber of Commerce (Assocham) mainly catering to European firms (with its lobby—the Central Commercial Organisation) in Delhi; and (3) the All-India Manufacturers Organisation, representing smaller industries with its headquarters in Delhi and branches at Calcutta and Bombay.

These major apex organisations, unlike the business associations in the capitalist world, combine both industrial and trade interests within a single organisation. However, a departure has been made recently with the establishment of the Centre of Indian Industries (CII) to look after the interests of the industries of the country. Of these three leading groups, the FICCI is the largest and the most influential; it presents over 40,000 firms and has very effective office in Delhi. The FICCI and several big business houses have powerful lobbies in the Parliament and in the State legislatures, and have representatives and Public Relations Officers (PROs) who keep in touch with administration and top bureaucracy. Big business interests take part in joint consultative bodies and occasionally lobby MPs; but more attention is given to influence the Planning Commission, the economic ministries, the various licensing bodies which exist even after liberalisation. The purpose is to receive maximum government aid and protection from foreign competition and the minimum government interference. In this bargaining situation, they occupy a strong position because they may withhold vital information essential to the government and may refuse to cooperate in implementing the plan. They influence political parties by making liberal donations to the major parties. In this respect Congress party has been the major beneficiary because since the closing decades of the nationalist movement the emerging business magnates like Birla have developed close links with the Congress and secondly, because since Independence Congress has been

governing the country for most of the time nationally. Big business houses like Tatas had misgivings about the Congress when Congress proclaimed the establishment of a socialist pattern of society but they found enough scope left for their growth and, indeed, they increased their might. They did not desert Congress for the Swatantra Party for they understood the latter had no future. They supported the Janata conglomerate in the seventies as well as Janata Dal in the nineties.

After the 13th Lok Sabha elections the Indian big business have veered around the BJP-led NDA government and have succeeded in the creation of a unique ministry of Disinvestment and getting their "dream budget" (2001-2002).

Studies of influence of big business on politics have revealed that owing to the fact that the elite in politics, administration, managerial levels and in top media position come from the same social strata and class of people as the business elites and this facilitates and influence of business. Apart from this, individual business make extensive use of blood and caste relationships, bribery as well as opportunities for lucrative appointments after retirement, to pressurise administration who have favours to offer. Indeed, it is the "*baksheesh* system" (the commission system)—the product of the "*licence-permit raj*", that has tainted the nation today.