

Dabbawalas as Enterprise
310 Fall 2019
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A reader writes, “I was wondering what your thoughts were on Dabbawalas as an enterprise. Yes, they are for-profit but what type of enterprise are they? They seem to almost fit the bill for [social enterprise](#), but not quite. They aren't exactly doing what they do for society's well being, but for their religious beliefs (which I guess is the same thing in this case). Also, I understand that they are considered a “flat organization” with no hierarchy*, but is that sufficient to explain their profit goals?” Good questions and observations. This is basically a management issue. The assignment might have included such a question. It didn't. But I did bring up enterprise in lecture, so here's my take.

First, the low-hanging fruit. The Dabbawalas are for-profit (see theory of the firm). What they do might benefit the society, but that's not why they do it. The Dabbawalas' religious beliefs might be part of this; we'd have to know more about that to tell. So we flag that.

For the rest, parse the job. “Kind of enterprise” might refer to legal constructs codified in law or regulation. If this was important to my work, I'd have to learn more about the Indian legal context. This can be done. I just don't have to do it, so I won't. However, there is a general question about human enterprises. For those keeping score at home, this falls into industrial organization in economics, and organizational and/or institutional studies in sociology, social psychology, management, etc. Theory is there to be found.

Assume the Dabbawalas are “a flat organization with no hierarchy” observation. Get precise. Flat organizations, which are centralized rather than decentralized, can be hierarchical. “Flat” and “non-hierarchical” are not synonyms. I know little about the Dabbawalas, but guess that individuals are close to what we would call sole proprietors, in business for themselves, getting customers, moving the lunch boxes, getting paid, etc. They conform to the Dabbawalas “done thing.” The lunch box codes, the training of new entrants, negotiations with the train and other enterprises (i.e., representing the Dabbawalas interests) is probably done by what we'd call in the U.S. a formal association (e.g., The Dabbawala Association) with legal standing to collect dues from members, sanction members for inappropriate behavior, and enter into negotiations with other legal entities. The association would not “employ” individual Dabbawalas – they are self-employed. Individual Dabbawalas would be members of the association under contractual terms as a principal/agent thing. Sometimes principal/agent things are employment relationships, but not always. A person can be employed by an organization and a member of a separate union. In addition to the labor union/worker relationship the American Medical Association's relationship to physicians, and the American Bar Association relationship to lawyers comes to mind.

From an enterprise standpoint individual Dabbawalas do the core business (working with customers, moving the boxes about), while the association makes that core business sustainable. Details matter, and you must pay attention. Contrary to some, laws and

regulations are seldom made up by faceless bureaucrats with too much time on their hands, but evolve in response to repeated, real problems. We can guess intelligently about governance. My bet is that India, as a British Colony, uses British Common Law as opposed, for example, to the Napoleonic Code. I may be mistaken, so I'd probably get a lawyer to help me.

It took me only a few minutes to think this through. It took longer to write. I kept trying to make it shorter. If you got this far, you are probably happy it was shorter.

Incidentally, the U.S. is big on religious freedom. The fact that the Dabbawalas have religious ties would probably matter in the U.S. It might matter in India, which is a religiously diverse place. Any time religion is a factor, that's important.