

# Indian Ocean Strategy

*Indian School of Management in Practise*  
-Sandeep Singh

by the author of best seller 'Business of Freedom' - an initiative for school of Indian Management



The whole of Indian social order is a planned economy that has been functioning for thousands of years. That it should have served us so well all these many centuries is a monument to the farsightedness of the conceivers and to the soundness of the eternal principles upon which it is based. The Hindu order covers all aspect of life – political, social, and religious and economics. This book is a dynamic interplay of Dharma, Artha, Kama and Moksha. The book takes into account all kinds of capital viz. Natural, Physical, Human and Social.

Sunderland said “This wealth was created by the Hindu’s vast and varied industries. Nearly every kind of manufacture or product known to the civilized world-nearly every kind of creation of Man’s brain and hand, existing anywhere, and prized either for its utility or beauty had long, long been produced in India. India was a far greater industrial and manufacturing nation than any in Europe or any other in Asia. Her textile goods- the fine products of her looms, in cotton, wool, linen and silk-were famous over the civilized world; so were her exquisite jeweller and her precious stones cut in every lovely form; so were her pottery, porcelains, ceramics of every kind, quality, colour and beautiful shape; so were her fine works in metal -iron, steel, silver and gold. She had great architecture – equal in beauty to any in the world. She had great engineering works. She had great merchants, great businessman, great bankers and financiers. Not only was she the greatest ship building nation, but she had great commerce and trade by land and sea which extended to all known civilized countries. Such was the India which the British found when they came.”

- **When asked by an Arab trader why he had come (to India), Vasco da Gama responded with precision, ‘we seek Christian and spices’**

Richard Hill, *Empires of the Monsoon*, London: Harper Collins, 1996, p 172  
The Corporation that changed the world, Nick Robinson, Orient Black Swan

- **On his second voyage in 1502, da Gama at Calicut captured 20 trading vessels and butchered their crews. More than 800 prisoners had their hands, ears and noses hacked off, the pieces piled into a boat and sent to the local ruler, ...with a note telling him to make a ‘çurry’ with what he found.**

Described by Gaspar Correa in *The Three Voyages of Vasco da Gama* and quoted in Hall, *Empires of the Monsoon*, p.198  
The Corporation that changed the world, Nick Robinson, Orient Black Swan

- In March 1767, a year after the news of Company's capture of the Diwani had reached London, the *Magazine* was proclaiming that 'the prodigious value of these new acquisitions may open to this nation such a mine of wealth as not only in a few years to pay off the national debt, to take off the land tax, and ease the poor of burdensome taxes; but to add to the dividends upon the Company's stock such a proportion of the increased revenue as will astonish Europe and exceed the most sanguine expectations.

Gentleman's Magazine, March 1767, pp.100-1  
The Corporation That Changed The World; Nick Robins, Orient Black Swan

- A new catchphrase entered the language – 'a lass and a lakh (a lakh being Rs100.000) a day' - to describe the mistress (bibis) and their generous presents from state officials and Asian merchants.

The Corporation That Changed The World; Nick Robins, Orient Black Swan

# The East Offering Her Reaches to Britannia

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10 X 8 feet,  
Painted by Spiridione Roma, 1778,

London Headquarter,  
East India Company <sub>6</sub>

## The East Offering Her Reaches to Britannia

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- At the heart of painting is the relationship of three women, each representing their country. The scene is an Asian Shoreline. Sitting high on a rock high to the left, a fair Britannia looks down on a kneeling India, who offers her crown surrounded by rubies and pearls. Beside her, China presents her own tribute of porcelain and tea. From a grove of Palm trees to the right comes a convoy of labourers carrying bales of cloth , along with an elephant and a camel, all directed westward by a stern Mercury, the classical god of commerce. The British lion sits at Britannia's feet , as does Old Father Thames, a sign that it was to London that much of the company's famous merchant ships sail into the distance, laden with the treasure of the East, its striped ensign fluttering in the wind.

The Corporation That Changed The World; Nick Robins, Orient Black Swan

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- **Nehru “It is significant that one of the Hindustani words which has become part of the English language is “loot”.**

Jawaharlal Nehru, *The Discovery of India*, London: Meridian Books, 1946, p 248  
*The Corporation That Changed The World*; Nick Robins, Orient Black Swan

- **By 1769, Richard Becher, the company’s Resident at Murshidabad, admitted with some shame that ‘the condition of the people of this country has been worse than it was before’, arguing that ‘this fine country , which flourished under the most despotic and arbitrary government, is verging towards its ruin while the English have so great a share in the Administration’.**

Quoted in Palme Dutt, *India Today*, p.192  
*The Corporation That Changed The World*; Nick Robins, Orient Black Swan

- **Dhaka was renowned for the transparency, beauty and delicacy of its muslins. So fine was the fabric that a pound of cotton could provide upwards of 250 miles of muslin thread.**
- **In a grisly repeat of earlier cruelties, when machine-made yarns were first introduced into Dhaka in 1821, the ‘thumb and index finger of some of the renowned artisans began to be chopped off in order to disable them from twisting finer yarns’.**

The Corporation That Changed The World; Nick Robins, Orient Black Swan

- **The younger brother of the Governor-General, Arthur Wellesley commanded the Company's troops in the area and responded with terror. 'The more deserted villages you burn and the more cattle and other property are carried off the better', Wellesley wrote to one of his officers, adding to another that 'the people of Malabar are not to be coaxed into submission: terror, however will induce them to give up their arms'.**

Wellington's Supplementary Dispatches, quoted in Lawrence James, The Iron Duke, London : Weidenfeld & Nicholson, 1992, p 77  
The Corporation That Changed The World; Nick Robins, Orient Black Swan

- In the words of 'A British Merchant' - most likely either Jardine or Matheson - 'this illicit commerce is so interwoven with our financial system in India, as well as with our commerce, that it is not inferior in importance to revenue obtained from tea at home'.  
.....
- ...back in China, however the scourge of opium addiction rolled on. In all, millions of Chinese died during the nineteenth century as a result of opium, a 'crime which no one even today acknowledges as the man made catastrophe it was'.

Hobhouse, Seeds of change, p xvi

The Corporation That Changed The World; Nick Robins, Orient Black Swan

- **One of the great might have been of history is to imagine the application of the ideals of the American Revolution to that other problem province of the British Empire, India. But India was not modern, European or Christian ultimately subjected to a second-class settlement, treated as a piece of property rather than a living community of people.**

The Corporation That Changed The World; Nick Robins, Orient Black Swan

- **The Company also established a massive 1,000 acre spice plantation at Anjarakandi to produce cinnamon, coffee, pepper and nutmeg. But the land for the plantation was usurped and its labourers effectively kidnapped to work as little more than slaves. Children were taken from their families in the middle of the night, with clothes stuffed in their mouths to keep them quite and all cast marks removed.**

K. Ravi Raman, Bondage in Freedom : Colonial plantation in Southern India 1797-1947, Centre for Development Studies, Trivandrum, Working Paper no 327, March 2002, pp.8.32  
The Corporation That Changed The World; Nick Robins, Orient Black Swan

- **The Bengal revolution had broken ‘the commercial circle’, which had ensured that trade between Britain and India had brought mutual benefit. Using his own words with precision, Burke described this model of exchange as intercourse – for it is not Commerce’, with India suffering ‘what is tantamount to an Annual Plunder of its Manufacturers and its Produce to the Value of Twelve hundred thousand pounds’. In effect, India was being screwed.**

The Corporation That Changed The World; Nick Robins, Orient Black Swan

- **The power of this confederacy was such that the company ended up leasing more ships than it needed at higher prices than were justified. This was an outcome explained in part by the fact that many of the ship’s masters were also company directors, a conflict of interests prohibited by Company by laws but wholly ignored.**

Sutherland, The East India Company, p 38

The Corporation That Changed The World; Nick Robins, Orient Black Swan

- **..Horace Walpole said at the time, ‘we have murdered, deposed, plundered, usurped – nay, what think you of the famine in Bengal, in which three millions perished, being caused by a monopoly of provisions by the servants of the East Indies.’**

Baron , An Indian Affair, p 79

The Corporation That Changed The World; Nick Robins, Orient Black Swan

- **But business was business. As the famine intensified, Company shareholders were focused on making up for their losses, and in December 1769, the Company’s properties had taken advantages of Sullivan’s deal with the government and raised the dividend to 11 percent. In September 1770 it was boosted to 12 percent. And then in March 1771, the same month as the Gentleman’s Magazine reported the ‘great miseries to which the inhabitants are reduced by famine and pestilence’, the company’s shareholders voted to raise the dividend to 12.5 percent.**

Gentleman’s Magazine, 30 March 1771, p 141

The Corporation That Changed The World; Nick Robins, Orient Black Swan

- **British control of India started with a famine in Bengal in 1770 and ended in famine – again in Bengal – in 1943. Working in the midst of the terrible 1877 famine that he estimated had cost another 10 million lives, Cornelius Walford calculated that in the 120 years of British rule there had been 34 famines in India, compared with only 17 recorded famines in the entire previous two millennia.**

Walford, quoted in Davis, Late Victorian Holocausts, p.287  
The Corporation That Changed The World; Nick Robins, Orient Black Swan

- **Bengali nobles tried to respond in the traditional way and distributed rice free of charge. But because of the hoarding by the company's executive, their stocks were soon depleted.**
- **As the famine intensified, thousands flocked to Calcutta, many dying in the streets.**

**J C concludes his letter by describing Calcutta's good fortune of having both vultures and dogs to deal with the dead – the first to take out the eyes and intestines, and the latter to gnaw the feet and the hands.**

The Corporation That Changed The World; Nick Robins, Orient Black Swan

Dean Mahomet joined the company's forces, and he describes a series of engagement between Bhagalpur and Rajmahal to eliminate the Pahareas, who opposed Company Rule and robbed travellers. To 'strike terror', the Company suspended some of its captives on a kind of gibbet (A gibbet is a gallows-type structure from which the dead bodies of executed criminals were hung on public display to deter other existing or potential criminals. To gibbet a criminal is to display the criminal on a gibbet) , ignominiously exposed along the mountain's conspicuous brow'. Mahomet's band of sepoy moved on , and as we proceeded on our march, we beheld the lifeless bodies of these nefarious wretches elevated along the way for a considerable distance'.

Dean Mahomet, The Travels of Dean Mahomet, Berkeley: University of California Press, 1997, p.54  
The Corporation That Changed The World; Nick Robins, Orient Black Swan

- **For the first half of the 18<sup>th</sup> century, ..... The Indian subcontinent was then the workshop of the world, accounting for almost a quarter of global manufacturing output in 1750, compared with just 1.9 percent for Britain.**

Quoted in Mike Davis, *Late Victorian Holocausts*, London: Verso, 2002, p 294  
*The Corporation That Changed The World*; Nick Robins, Orient Black Swan

- **Deeply embedded in the traditional village system, hand woven cotton linked agriculture with industry, creating a diversity of income and providing goods that could be traded both locally and rest of the world. Even in the first century AD, the Roman historian Pliny was complaining that the extensive importing of cotton fabrics from India was draining Rome of Gold.**

*The Corporation That Changed The World*; Nick Robins, Orient Black Swan

- **Munro had a high idea of the excellence of the Indian manufacturers of his time. Among the causes which precluded the extended sale of British goods in India, he mentioned, ‘the religious and civil habits of the natives, and more than anything else, I am afraid the excellence of their own manufacturers.’ He had used an Indian shawl for seven years, and had found very little difference in it after that long use: while, with regard to imitation shawls produced in England, he said: “I have never seen an European shawl that I would use, even if it were given to as a present.”**

Minutes of Evidence, & c, on the Affairs of the East India company (1813), pp.123 and 172  
The Economic History of India, Vol -1, R C Dutt

- **What is sure is that the railway system was not as great a unifier as it is supposed to have been. The shape of the railways network and its fare structure favoured the creation of separate economic regions, some of which had stronger links to the world market than to other Indian regions. This was true in particular of the two major extroverted regions, the Bombay cotton growing hinterland and the jute growing Bengal delta. The market for these two essential commodities was either local, in the form of mills which exported part of their output or international, but there was very interregional trade. ...by 1930 Bengal received more cloth from Lancashire and Japan than from Bombay and Ahmadabad.**
- **For a long time Bombay had received coal from South Africa while Calcutta shipped the surplus production from the Eastern India coalfield to South East Asia.**

Discussion by J M Hurd in 'Railways' in Cambridge Economic History, Volume 2, pp 7373-61  
Indian Business and Nationalist Politics 1931-39, Claude Markovits

- **The identity of interest which a common religion interposed between the Muslim merchants and the Mughal rulers was treated as a sufficient reason for not trusting the former. ...One of the most famous case of Hindu Muslim clashes , which marginally touched on the Company's commercial interests, occurred in Surat following Aurangzeb's order of April 1669 to destroy Hindu temples and suppress Hindu religious practices. In November the Surat factory wrote to the company, 'You have been formerly advised what insufferable tyranny the Bannians endured in Surat by the force exercised by thee lordly Moors on account of their religion.**

Original Correspondence, 26 November, 1669, Vol 30, No 3373  
The Trading World of Asia And The English East India Company 1660 – 1760,  
K N Chaudhuri, Cambridge University Press

- **The resilience and the capacity of Surat bannians (BANYAS, the business man) to withstand Islamic pressure did not go unnoticed. In a lengthy private letter written home in 1672, on the social aspects of life in Surat, a servant of the company commented that the reputation for cunning and subtly which the Hindu traders of Gujarat enjoyed was the result on being continually exposed to danger and the necessity for preserving their wealth and finally integrity through sheer political skills. ‘For they are all together a passive and suffering people , and against all the many violent assaults that are made upon them have no other defence than their wits and that that interest which their money makes .**

‘A letter from Suratt in India giving an account of the manners of the English factors etc’, 18 January 1672, in Barlow, R.; and Yule, H., ed., The diary of William Hedges 1681 – 1687 (3 vols., London, 1887 – 9), II, 312  
The Trading World of Asia And The English East India Company 1660 – 1760, K N Chaudhuri, Cambridge University Press

- That men such as Bhimji Parrack, the Company broker, and his broker Kalyandas possessed rational thinking minds and were capable of self analysis was amply proved to the author of the letter when he and other members of the English Factory in passing discussion on religious practise accused them of idolatry and other moral errors. To this they answered that Hinduism also taught them ‘all those virtues which we say our Religion doth, as humility, patience, temperance, chastity, charity, yea and forgiveness of offence, and for their Idolatry they say they do not worship those images and idols which we see, as we think they do, for they know and believe they are no gods, but only Representation and Remembrance, for God they say is a more excellent being than to abide in a Temple or under a Tree.

‘A letter from Suratt in India giving an account of the manners of the English factors etc’, 18 January 1672, in Barlow, R.; and Yule, H., ed., The diary of William Hedges 1681 – 1687 (3 vols., London, 1887 – 9), II, 312  
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**It is a sad truth ,the letter went on ,that in all parts of India where the Europeans generally come the natives soon learn to flatter, cheat, and wreck their malice whereas in the inland countries where few European ever are, they are generally harmless and innocent and not inclined to mischief. The difference must be from the ill examples of those who call themselves Christians.**

Despatch book, 10 January 1711 , vol 97, para.83,pp 179-80  
The Trading World of Asia And The English East India Company 1660 – 1760,  
K N Chaudhuri, Cambridge University Press

- **If a good system of agriculture, unrivalled manufacturing skill, a capacity to produce whatever can contribute to convenience or luxury; schools established in every village for teaching, reading, writing, and arithmetic; the general practise of hospitality and charity amongst each other; and above all the signs which denotes a civilised people, then the Hindus are not inferior to the nations of Europe; and if civilization is to become an article of thread between the two countries I am convinced that this country (England) will gain by the import cargo.”**

Minutes of Evidence, & c, on the Affairs of the East India company (1813), pp.124, 127 and 131  
The Economic History of India, Vol -1, R C Dutt

In a 1992 study of the relationship between culture and development, Robert Klitgaard posed the question: “if culture is important and people have studied culture for a century or more, why don’t we have well-developed theories, practical guidelines, close professional links between those who study culture and those who make and manage development policy?” More often than not, such discussions create heat but shed precious little light on the relationships. The book shows how these techniques relate to on another and incorporate them into an overall framework.

*“Taxation raised by a king, says the Indian poet,  
is like the moisture of the earth sucked up by the sun,  
to be returned to the earth as fertilising rain”.*

The book makes a series of connections, joining some fairly familiar dots in some relative unfamiliar ways. This book is about what it takes to create many better futures, not just one. This book does not provide a blue print for utopia. Instead it introduces a set of ideas and tools from Hindutava that others can use to build their own better futures.



**Indian Ocean Strategy – Indian School of Management in Practise :** the book is for the intelligent reader who is concerned about the future, not the specialized scholar preoccupied with some narrow piece. It is not really a work of scholarship. Its reach is far too broad. Quotes and notes are introduced for the inquisitive mind. Business people may learn a lot about their own industries from a factual point of view. They can learn how to see the same old stuff in brand new ways, and to think about strategy in a way that is very different from traditional strategic planning. They can learn how to build brands which will last for thousands of years. The Hindutava culture provides us with an exhaustive list of brands, across a very broad time span, which helps us understand the process of brand building. By and large, existing frameworks of strategy are relatively static. They provide little explicit guidance on how to anticipate and adapt to the dynamics of an industry. In this book, industry dynamics form an explicit part of the various frameworks. The book also shows the limitations and pitfalls of generic strategies.

**- Sandeep Singh**