

Lesson 4 handout

The Tata family and business in colonial India

The Tata family belonged to the Parsee community, a small religious group originally from Persia that settled mainly in western India. The Parsees became known for their trading skills, entrepreneurship and early connections to British colonial networks. Like Dadabhai Naoroji, Jamsetji Tata (1839–1904) came from this community. He shared Naoroji's belief that India needed modern industry and education to grow stronger and more self-reliant.

Jamsetji Tata started his career working for his father's trading firm, which was involved in selling cotton and opium to China and importing goods from Britain. Through this work, he gained valuable experience in international trade, modern manufacturing methods and the importance of technological innovation. In the 1870s, Tata decided to build cotton textile mills in India that would match or even outperform British mills. His first major project was the Empress Mills in Nagpur. Unlike many mill owners, who focused only on short-term profits, Jamsetji introduced the latest machinery and built better housing and conditions for workers. He also believed in using scientific methods to improve productivity and quality, studying global markets and seeking new technology. He believed that Indian industry could compete with Britain, which at that time dominated the global textile trade.

But Jamsetji's ambition went far beyond textiles. He wanted to build India's first modern iron and steel industry, a field that the British considered too advanced for Indian capitalists. Colonial officials doubted that Indians could run large, complex heavy industries and often denied support or protection to Indian firms. Yet Tata spent years conducting geological surveys, studying iron ore deposits and sending Indian engineers to learn modern steelmaking abroad. He worked with British investors and engineers when necessary but kept control in Indian hands as much as possible.

Jamsetji died in 1904, before his steel project was complete. But in 1907, his son and others carried his vision forward and created Tata Steel, the first large Indian-owned steel plant in the country. It became a symbol of Indian industrial ambition and pride. Jamsetji also strongly believed in science and education. He argued that India needed to build up its own technical skills in order to challenge British dominance. He funded the creation of what would become the Indian Institute of Science in Bangalore, a place in which to train scientists and engineers.

Tata's story is important because it shows how Indian business leaders faced difficult choices under colonial rule. On one hand, they had to work within a system where British laws and officials controlled trade, land and taxes. They needed British permission to buy land, build railways to move goods or get loans and licences. In this sense, they accommodated colonial rule to build their businesses.

On the other hand, by creating Indian-controlled industry and challenging the idea that only the British could lead big projects, Tata and others showed resistance to the colonial belief that Indians were not ready for modernity. Tata's emphasis on education, research and Indian pride challenged the stereotype that Indians were passive or backward.

Historians still debate whether Tata's actions mainly strengthened colonial rule by helping the British to develop India's economy (and extract more resources), or whether he was building an

Indian base for future independence and self-reliance. Some argue that he did both at the same time.

It is also important to remember that while Jamsetji's projects improved Indian industry, the British colonial system still shaped the bigger picture. For example, the British controlled tariffs and trade policies, often making it easier for British firms to sell goods in India, while Indian goods faced barriers overseas. Tata had to work within these restrictions and sometimes make deals with British authorities.

The story of the Tatas highlights a key tension in the history of colonial India: some Indian elites found ways in which to grow under British rule, using global connections, new technology and their own skills. But this growth often happened under rules designed to protect British interests first.

Bibliography

Roy, T. (2018) *A Business History of India: enterprise and the emergence of capitalism from 1700*, Cambridge: Cambridge University Press. See especially Chapter 6: 'Industrialization and Indian enterprise'.

Wacha, D. E. and Sir Ratan Tata Trust. *The Tatas*. (Various editions, originally compiled with archival records and family history.) Available at: <https://archive.org/details/in.ernet.dli.2015.5904>