

Making of “Modern Mysore”: Reputation as a form of historical social capital that drives regional entrepreneurship

1. Introduction

Entrepreneurship is an embedded, collective activity (Cole, 1959; Samila & Sorenson, 2017) in a dialectic relationship with the regional structures within which it arises (van de Ven & Stam, 2019), subject to the extra-regional developments that facilitate or constrain such activity (Baumol, Litan, & Schramm, 2007). Since the characterization of entrepreneurship as a ‘regional event’ (Feldman, 2001), the focus on regional entrepreneurship has been growing strong (Fritsch, 2013; Sternberg, 2009). While scholars of regional entrepreneurship have traditionally focused on economic capital, institutional environment, and supportive infrastructure (Fritsch, 2013; Rocha & Audretsch, 2022; Wurth, Stam, & Spiegel, 2021), scholars studying the historical roots of regional entrepreneurship have been alive to the role of social capital in terms of regional knowledge, creativity, social networks and culture (Del Monte, Moccia, & Pennacchio, 2020; Del Monte & Pennacchio, 2020; Fritsch, Pylak, & Wyrwich, 2021; Fritsch & Wyrwich, 2018; Saxenian, 1996).

In addition to these factors, regions tend to garner a reputation over time usually symbolized by the monikers used by press and policy to describe them like ‘Silicon Valley’, ‘Startup Nation’, ‘Startup Capital’ etc. The traditional understanding among scholars of regional studies has been that “reality building is an imperative for [such] reputation building” (Aula & Harmaakorpi, 2008). However, we are faced with the empirical paradox where regions garner historical reputation as being industrial or entrepreneurial without having acquired the necessary industrial or entrepreneurial capability. Such historical reputation is mobilized to stimulate regional entrepreneurship and over time the reality of the region gets closer to the reputation making it a case of a self-fulfilling prophecy. In the face of such empirical examples, we are motivated to understand the evolution and role of such historical reputation in the ‘strategic management of places to stir regional entrepreneurship’ (Audretsch, 2015).

2. Theoretical background

Our understanding of reputation in regional studies is closely linked with reality of the region - its identity and the functional communication networks (Aula & Harmaakorpi, 2008). However, a sociological appreciation of reputation as ‘perceived quality’ and not necessarily the real extant quality is important for us to better understand regional reputation

(Burt & Panzarasa, 2008; Lange et al., 2011). As Burt and Panzarasa (2008) explain - “reputations emerge not from what we do, but from people talking about what we do [and] accuracy is a nicety more than a requirement for the [reputation building] stories.”

When we mobilize the historical trajectory of a region as a proxy for its innovative or entrepreneurial capability, “we remember our history, not through the details of the events, but through labels that characterise and summarize these events” (Fine, 1996). Such characterization can be an exercise in selectively mobilizing the past to build a reputation in the present. However, not all reputations built as such survive for long. Fine (1996) identifies that a “reputational entrepreneur” who can build reputations that are ‘sticky’ over time is motivated, has narrative facility and is cognizant of institutional placement that brings credence to the claims made and seem plausible to significant audiences.

It is this sociological notion of ‘reputation’ and ‘reputational entrepreneurs’ that we employ as the theoretical lens as we investigate the paradox of how historical reputation is garnered by regions and how is it further mobilized in relation with regional entrepreneurship.

3. *Empirical context*

The princely state of Mysore was one of the significant princely states of British India¹ which has been characterized as an exemplar of state-led industrialization and development in the first half of the twentieth century (Hettne, 1978; Manor, 1978). However, economic historians have recently come to question the veracity of this credential as a possible overrating (Roy, 2000, 2019a, 2019b).

After being handed over the administration from direct British rule, the *Dewans*² of the state who spearheaded the state-led industrialization justified the state’s role as an industrial entrepreneur on grounds of necessity since the private entrepreneurial initiative was ‘shy’ (Ismail, 1954; Narayan Rao, 2011). Post-independence from colonial rule on the eve of integration of states, there was a fierce debate with many of the Mysore leaders arguing against the integration of regions from other provinces into Mysore claiming its legacy of a “model state” and industrially developed region would be endangered if such an integration were to

¹ The princely state of Mysore was among the five to receive a 21-gun salute, the highest that was accorded in the British Indian Empire to members outside the royalty, Viceroy and Governor General. And it was also the second largest princely state by population. See (Iyer, 2010)

² *Dewans* were the heads of administration in Indian states under princely regimes. They are roughly considered equivalent to Prime Ministers as far as the states are concerned.

happen (Nair, 2011). The critics pointed out the “lack of entrepreneurship” in the state that had left industrial jobs to outsiders.³ The famed industrial enterprises of the state were then accused as mere “toy industries”.⁴ However, this historical reputation of Mysore being an entrepreneur friendly region has been mobilized in nurturing Bangalore entrepreneurial ecosystem over the years. Bangalore was the administrative capital of the Mysore region and its preeminence as the science and technology capital of India and a globally recognized entrepreneurial ecosystem has over the years been fueled by the reputation of being located in the erstwhile ‘Modern Mysore’ (Heitzman, 2004; Mascarenhas, 2012).

Despite a lack of entrepreneurial initiative from within the state and with only “toy industries”, the state of Mysore was credited as a “progressive” native state.⁵ This leaves us with a paradox of how did Princely Mysore come to acquire the progressive reputation and get recognized as an industrially developed region? And how has this historical reputation been employed in furthering regional entrepreneurship over time?

4. Method

The archival sources are the Mysore residency files at National Archives of India (NAI), New Delhi, the Princely Mysore Administration Files and Reports at the Karnataka State Archives (KSA), Bangalore and the papers at the Indian Institute of Science Archives (IISc Archives), Bangalore. We triangulate these primary archival materials with published secondary sources pertaining to Princely Mysore of that period. We read these diverse sources with the lens of New Entrepreneurial History (NEH) framework (Wadhvani & Lubinski, 2017) and engage in iterative hermeneutic interpretation and exposition to construct a historical narrative of how Mysore came to acquire the reputation as an entrepreneurial region given the temporal and spatial aspects of Princely Mysore (Gill, Gill, & Roulet, 2018).

Once the evidence is collected from multiple sources and the sources are subjected to checks of validity and credibility, we engage in constructing a narrative of the entrepreneurial activities in the region, while being contextually conscious of the historic period (Lipartito, 2014). The analytically structured narrative (Ingram, Rao, & Silverman, 2012; Rowlinson, Hassard, & Decker, 2014) is organized into four periods based on the overarching approach to entrepreneurship at the regional level. Given our interest in how entrepreneurial reputation

³ Karnataka State Archives, Imam, Minutes of the Legislative Assembly Debates 13, No 14 (1955): 870.

⁴ Karnataka State Archives, Hanumanthaiya, Minutes of the Legislative Assembly Debates 9, No 38 (1953): 2499.

⁵ Mysore state is recognized as a ‘progressive’ state with its progressive credential *inter alia* drawing from its role as an industrial entrepreneur. See for instance - (Bawa, 1987; Jeffrey, 1978; Ramusack, 2004)

came to be, the narrative pays particular attention to how the region was being perceived and talked about in each period in relation to the entrepreneurial activities. These periods served not merely as narrative tools of descriptive convenience but serve as fertile units of analysis for exploring theoretical ideas. This approach is apt when feedback mechanisms, mutual shaping, or multidirectional causality are likely to be incorporated into theorization and fits best with our research question since entrepreneurial transformation of a region is argued to involve feedbacks (Fritsch, 2013; Murmann, 2003) and reputation building is an iterative on-going activity (Lange et al., 2011; Rindova et al., 2005).

5. *Findings*

While structural explanations have tended to dismiss the reputation of princely Mysore as an entrepreneurial region as mere overrating, we contend it was a carefully acquired one that was aided by entrepreneurial efforts not just in the traditional bringing together of factors of production but in the exercise of cultural resources as well. And this historical reputation has over time successfully nurtured regional entrepreneurship in Bangalore.

The overarching narrative of Mysore's entrepreneurial history suggests that the role of reputation evolves over time. The 'reputational entrepreneurship' of the state administrators was in mobilizing the reputation of 'modernity' across institutional spheres. While the initial recognition of 'modernity' was for the creation of a democratic institution and for encouraging education of women, this reputation was borrowed into the economic sphere too.

Locating the first act of 'modern' entrepreneurship in princely Mysore in the gold mines of Kolar which came to be operated by John Taylor and Sons from London in the late 1800s, different entrepreneurial opportunities interacted and played out over time from the establishment of the Cauvery hydroelectric scheme to provide electricity to the gold mines to the founding of the Indian Institute of Science and to the phases of industrialization and modernization across the war years. We discuss how reputation was built from the cumulative interpretation of each of these developments in the region.

The growth of the gold mining industry and its reputation as the world's deepest mines was used to justify the establishment of a department of geology and mining giving a boost to experimentation in mineral industry. This triggered the hydroelectric power project, and these together motivated the location of the Indian Institute of Science (IISc). The availability of electric power and the facility of IISc then added to the reputation of the region in attracting industries and furthering the reputation of Princely Mysore as an industrial state.

Not only did this historical reputation shape the future trajectory of regional entrepreneurship in tangible ways, but reputation shaping activities were engineered by influencing the people who would talk about the region through industrial exhibitions, reports on the industrial progress of the region, visual symbolisms of industrial advance etc. The few, but major entrepreneurial acts along the trajectory were creatively employed by entrepreneurial actors in their discourses and narratives to create and justify the entrepreneurial reputation of the Mysore state to such an extent that the credential itself led to further entrepreneurial activities when capitalists were attracted to the region because of its reputation.

6. Contribution

This paper suggests that regional reputation is more about “perceived quality”, and it evolves towards “extant quality” over time. Unlike reality of the region being the precedent to the reputation of the region, we suggest reputation can at times build the reality in line with reputation.

While the credential of Princely Mysore being a modern entrepreneurial region may be overrated, the entrepreneurial activities of the State that brought about that reputation were instrumental in shaping the trajectory of capitalism in the region. Though Mysore lacked the depth of industrial growth and development, the pioneering entrepreneurialism of the actors brought it visibility and created for it an evolving progressive reputation drawing from the historical reputation at different points in time. After all, as historians have argued, it is ideas and beliefs – of which reputation is a form – that shape reality more often than the other way round (McCloskey, 2016; Mokyr, 2016).

This suggests that ‘reputational entrepreneurship’ (Fine, 1996) is an essential element in understanding regional entrepreneurship. While there is a large literature on organizational reputation (Lange, Lee, & Dai, 2011; Ravasi, Rindova, Etter, & Cornelissen, 2018; Rindova, Williamson, Petkova, & Sever, 2005) and emerging literature on new venture reputation (Prashantham, Bhagavatula, & Kumar, 2020), we urge scholars in regional entrepreneurship to further explore the dialectic between reputation of regions and entrepreneurship in those regions. Such an understanding can help system level actors like policy makers, regional leaders, trade associations etc to focus on building reputation as a social capital that can complement economic capital.

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