

**Redefining universal development from and at the margins:
Indian Economics' contribution to development discourse, 1870-1905**

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Abstract

The late 19th century Indian Economics redefined development. This thesis examines what shaped the idea of development in Indian Economics from 1870 to 1905, using discourse analysis to explore the interaction between and effect of the multidiscursive and multispatial contexts. Although recent International Political Economy scholarship has started to encourage a global perspective, historical research in the field is still centred on European and American contributions. The research aims to fill that gap by analysing Indian Economics development discourse that emerged in a period of political conflict and poor socio-economic conditions which brought into question the legitimacy of British imperial rule. Indian Economics subsequently attempted to prove India's ability to progress and conceptualise an appropriate and effective development plan. Additionally, the research complements recent research in social history and history of political and economic thought that attempts to contextualise Indian intellectuals' conceptualisation of nationalism at the turn of the 19th century. I show how the position of Indian Economics at the margins of discursive space offered a unique perspective that enabled Indian Economics to discursively innovate at the margins of development discourse. The analysis concludes that Indian Economics redefined the concept of universality in the existing idea of development in the 19th century by rejecting the widely accepted international division of labour and the dominant assertion that progress originated in Europe. India, according to Indian Economics, could and should industrialise like all other nations, because the idea of universal development in Indian Economics adopted a world view that saw universal progress or positive societal change as beneficial to all, rather than a zero-sum game involving necessary winners and losers.

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Fearlessness is a funny thing. My fearlessness has proved to be productive, rewarding, and exhilarating, but also a lot of stress and hard work. Fearlessness got me to start my PhD with little understanding of what it would actually entail to write a thesis. Would I have started the PhD if I had known what it entailed? I am not sure. I will never be sure. But I do know that I have changed. The PhD has pushed me to grow and learn in ways I could not have imagined.

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Abbreviations

INC	Indian National Congress
IPE	International Political Economy
PDA	Positive Discourse Analysis
CDA	Critical Discourse Analysis

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Introduction – Development Discourse at the Margins

It occurred to me at the time that if the ‘Law of Relativity and Correspondence’ holds good in Politics and Social Science generally, it ought to hold good equally in all kindred subjects, including, among others, the Science of National Wealth, or, as it is more popularly described, Political Economy. As a matter of fact, however, what do we see about us? The same Teachers and Statesmen, who warn us against certain tendencies in our Political aspirations, forget this salutary caution when the question at issue is one of Indian Economics. They seem to hold that the Truths of Economic Science, as they have been expounded in our most popular English Text-books, are absolutely and demonstrably true, and must be accepted as guides of conduct for all time and place whatever might be the stage of National advance. Ethnical, Social, Justice, Ethical, or Economical differences in the environments are not regarded as having any influence in modifying the practical application of these Truths.¹

Mahadev Govind Ranade

“Indian Economics” conceptualised an idea of development that explained India’s distinct socio-economic and political changes and constructed an intentional plan that would boost much needed progress in India.² Since the 1870s, a group of Indian intellectuals, political activists, lawyers and civil servants had growing concerns about existing ideas of development being inapplicable to India. The debate culminated in Mahadev Govind Ranade’s lecture cited above delivered at the Deccan College, Poona in 1892 – later published the same year in the quarterly *Journal of the Poona Sarvajanic Sabha* in October. The lecture hall was primarily filled with Indian students. The audience may also have included some officials, as the College’s location was the summer capital of the imperial administration. Deccan College was part of the imperial university system, a prominent place for Indian intellectuals and one of the oldest modern educational institutions in India. The first generation of graduates from the imperial universities, including Ranade, had started to publish studies on India’s poor socio-economic conditions in the 1870s. Ranade’s inauguration of an Indian Economics placed the increasing number of studies under its intellectual umbrella. The studies found theories, concepts, ideas and solutions for India’s, often distinct, problems.

British imperial universities were established in the mid-19th century to educate Indian elites in Western forms of knowledge. By the 1870s and 1880s, learned societies as well as the Indian National Congress (INC) created a space for the first generation of Western educated

¹ Mahadev Govind Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches* (Madras: G. A. Natesan and Company, 1906), 1–2.

² Ibid.

Indian elites to utter their concerns about India's poor conditions.³ A group of middle class intellectuals and political activists, including Ranade, Dadabhai Naoroji, Romesh Chunder Dutt, Ganesh Vyankatesh Joshi, Ganapathy Dikshitar Subramania Iyer, Prithwis Chandra Ray, Surendranath Banerjea, Kashinath Trimbak Telang and Gopal Krishna Gokhale, wanted to understand the Indian situation, in order to reverse deindustrialisation and increasing poverty. My aim in this thesis is to understand how this generation of Indian Economists, from 1870 to 1905, conceptualised an idea of development. The group of individuals listed above shall thus be referred to as the Indian Economists and their ideas, concepts and theories as part of Indian Economics.

Ranade's lecture is usually considered the main founding text of Indian Economics. At the beginning of the text Ranade argued "Indian economics," should be based on the study of how "Ethnical, Social, Justice, Ethical, or Economical differences in the environments" affected social change, "progress" or "regress" and, subsequently, to study what an effective development plan would look like.⁴ After a list of several examples of why general "Truths of Economic Science" did not apply everywhere, Ranade argued that it was paramount to reconsider "the question" of development "on broader lines than those you will find enunciated in the ordinary Text books."⁵ Subsequently, the Indian Economists needed to conceptualise an idea of progress and development plan appropriate for the Indian context.

Ranade and Iyer, in particular, founded Indian Economics because existing economic theory did not adequately understand and explain India's reality. Effective solutions for India's unique issues were therefore lacking.⁶ Ranade was the first to coin the term Indian Economics and his seminal collection of lectures and articles was published in a collection of *Essays on Indian Economics*. As will be seen in chapters 3-5, the idea of development in Indian Economics covers political, social, religious and economic issues. The Indian Economists used Western

³ Partha Chatterjee, "The Social Sciences in India," in *The Cambridge History of Science*, ed. Theodore M Porter and Dorothy Ross, vol. 7 (Cambridge: Cambridge University Press, 2003), 489.

⁴ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 2.

⁵ Ibid., 6-7.

⁶ Dadabhai Naoroji, *Poverty and Un-British Rule in India* (London: Swan Sonnen Schein and Company, 1901), 136; Ganesh Vyankatesh Joshi, *Writings and Speeches of G.V. Joshi* (Pune: Arya Bhushan Press, 1912), 207, 749, 808, 886; G Subrahmaniya Iyer, *Some Economic Aspects of British Rule in India* (Madras: Swadesamitran Press, 1903), 104-7, 130-31, 358, Appendix, 3; Prithwis Chandra Ray, *The Poverty Problem in India: Being a Dissertation on the Causes and Remedies of Indian Poverty* (Calcutta: Thacker Spink and Company, 1895), 66; Romesh Chunder Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2nd ed., vol. 2 (London: Kegan Paul, Trench, Trübner, 1904), 122-25; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 21, 24.

economic philosophy to understand India's basic economic problems.⁷ However, the Indian Economists believed that India needed progress and modernisation that was authentically Indian. A system which was not Western, yet modern. The Indian Economists argued that India could learn from the West, while avoiding its mistakes.⁸

The last three decades of the 19th century saw a radical decline in the belief amongst Indian intellectuals that Britain, with its relatively advanced industrialised economy, could successfully develop India.⁹ There was also growing support for state-led development in Western Europe, particularly in Germany, the United States and Japan. The state-led idea of development challenged British imperialism and increased the unevenness in the Indian colony.¹⁰ India was experiencing deindustrialisation, severe famines, increasing poverty and was negatively hit by Britain's and Europe's economic crisis, 1873-1896.¹¹ The Indian Economists found India's reality primarily different due to imperial policies which were both draining India of much needed capital and deindustrialising its economy.¹² Indian Economics theorised that India had gone into a period of regress, with some of the most severe famines in its history, increasing rural indebtedness and poverty and worsening regional inequalities.¹³ Contemporary

⁷ Birendranath Ganguli, *Indian Economic Thought: Nineteenth Century Perspectives* (New Delhi: Tata McGraw-Hill Publications Company, 1977), 59; Bipan Chandra, "Colonial India: British versus Indian Views of Development," *Review Literature And Arts Of The Americas* 14, no. 1 (1991): 81–167; Christopher Alan Bayly, "The Birth of the Modern World: 1780–1914" (Oxford: Wiley-Blackwell Publishing, 2003).

⁸ Ganguli, *Indian Economic Thought: Nineteenth Century Perspectives*, 85; Benjamin Zachariah, *Developing India: An Intellectual and Social History c. 1930-50* (Oxford: Oxford University Press, 2005), 293.

⁹ See for example, Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 70–104. Secondary literature on Indian Economics finds a similar trend, see for instance Chandra, "Colonial India: British versus Indian Views of Development," 84.

¹⁰ Manu Goswami, *Producing India: From Colonial Economy to National Space* (Chicago and London: University of Chicago Press, 2004), 11.

¹¹ Mike Davis, *Late Victorian Holocausts: El Niño Famines and the Making of the Third World* (New York: Verso, 2002); Beckert, *Empire of Cotton: A Global History*.

¹² Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 66, 183, 185; Joshi, *Writings and Speeches of G.V. Joshi*; Romesh Chunder Dutt, *Indian Famines, Their Causes and Prevention* (London: PS King, 1901), vii–viii, 256, chap. 8; Romesh Chunder Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, vol. 1 (London: Kegan Paul, Trench, Trübner, 1902), vii, 218; Gopal Krishna Gokhale, *Speeches and Writings of Gopal Krishna Gokhale*, 3rd ed. (Madras: G. A. Nateson, 1920), 19, 52; Iyer, *Some Economic Aspects of British Rule in India*, 218, 247, 258. For secondary literature, see Ganguli, *Indian Economic Thought: Nineteenth Century Perspectives*; Chandra, "Colonial India: British versus Indian Views of Development"; Chatterjee, "The Social Sciences in India," 489; Goswami, *Producing India: From Colonial Economy to National Space*, 222.

¹³ Prithwis Chandra Ray, *Indian Famines - Their Causes and Remedies* (Calcutta: Cherry Press, 1901), 78; Naoroji, *Poverty and Un-British Rule in India*, 656; Ganapathy Subramaniya Iyer, *Speeches and Writings* (Madras: S. R. Murthy and Company, 1918).

literature tends to agree with Indian Economics' diagnosis,¹⁴ although India's large land mass and heterogeneous regions make it difficult to draw strong aggregate conclusions (see chapter 2 for more contextual analysis on the late 19th century Indian political economy).

Indian Economics was and is considered a marginal economic theory. The research was disseminated through lectures at universities and various societies and conferences as well as in published books and articles largely in English.¹⁵ Yet, the lectures, conferences and publications are almost exclusively in India, and if not in India, predominantly consumed by Indian and anti-imperialist audiences in Britain. For instance, a large amount of the articles was published in the journal that Ranade founded in 1870, *Quarterly Journal of Poona Sarvajanik Sabha*, to create a space for Indian intellectuals to publish their research (see below for more discussion). The Indian Economists were not getting published in British economic journals or even treated as economists. In the eyes of many imperial officers and British intellectuals, the Indian Economists were political activists fighting for Indian self-rule, not political economists creating knowledge. As a review of one of Dutt's texts clearly points out: Dutt is said to have written "without any intention to make any new discoveries" and his book is "saturated with Western ideas."¹⁶

As shown in studies on imperial knowledge formation and education, Indians were taught a Western curriculum and blamed for only regurgitating existing ideas from Europe and neglecting to transform ideas into original thought.¹⁷ Indian Economics was and is not considered to have contributed to economic theory. I therefore label the idea of development within Indian Economics as marginal, both because the Indian Economists were situated at the margins of intellectual circles and because Indian Economics development discourse contributed to the dominant idea of development at the margins. Studying the marginalisation and margins of development discourse offers, in turn, a perspective from the margins on the general debate around development in economics.

What do I mean by the dominant idea of development? The well-known and accepted idea of development is widely seen to have originated in early 19th century primarily by a group

¹⁴ See for example Goswami, *Producing India: From Colonial Economy to National Space*, 224; Tirthankar Roy, *Economic History of India, 1857-1947* (Oxford: Oxford University Press, 2011).

¹⁵ For a full list of primary sources analysed in this thesis, see chapter 1.

¹⁶ Max Muller's assistant's review of Dutt's *Civilization in Ancient India* quoted in Jnanendra Nath Gupta, *Life and Work of Romesh Chunder Dutt* (London: J. M. Dent, 1911), 127. Several 20th century literature agrees with this: e.g. Bipan Chandra, *The Rise and Growth of Economic Nationalism in India* (New Delhi: People's Publishing House, 1966).

¹⁷ For an exhaustive study on the impacts and results of Western education in India, see Sanjay Seth, *Subject Lessons: The Western Education of Imperial India* (Durham, N. C: Duke University Press, 2007).

of French scholars labelled the Saint-Simonians.¹⁸ The Saint-Simonians understood political, social and economic changes as inevitable. The emerging capitalist system was uprooting whole communities and creating new forms of exchange that led to prosperity, labelled progress. While progress was seen as inevitable processes that occurred automatically without intervention, development was the intentional plan to harness progress. The Saint-Simonians, like Adam Smith previously, were concerned with understanding societal changes and how order could be created in a society experiencing radical transformation.¹⁹ The Saint-Simonians are seen as the originators of the contemporary idea of development because they created a significant discursive shift in how development was understood. According to the Saint-Simonians, development was no longer something that simply happened, but a means of transforming the present through the active intervention in society.

The Saint-Simonians', along with other European scholars', idea of development gained a dominant position in intellectual circles across the globe. The idea of development that became the most accepted in dominant circles in the 19th century was based on the European experience of progress or transition to modernity, industrialisation, and an advanced or developed state. All societies were assumed to pass through the same stages and processes seen in Europe.²⁰ It implies still today an inevitable path towards a fixed and known point. From Smith's four stage history, to Marx's teleological historical materialism and post-war development theories, most scholars have assumed a continuum of progress until societies reach,²¹ as Francis Fukuyama famously put it, the end of history.²²

¹⁸ The group included including Henri de Saint-Simon, Augustin Thierry, Auguste Comte, Amand Bazrad, Michel Chevalier, Bathelemy Enfantin and Alfred, Eugene, Fanny, Gustave, Francois, Herminie, Henry, Isaac, Leontine, Juliette, Leontine, Telephe, Rebecca, Rachel, Suzanne, Amelie, Cecile, Claire and Emilie Pereire (see Claude-Henri Comte de Saint-Simon, *Social Organization: The Science of Man and Other Writings*, trans. Felix Markham, vol. 1152 (New York: Harper & Row, 1964); Claude-Henri Comte de Saint-Simon, *The Doctrine of Saint-Simon: An Exposition; First Year, 1828-1829*, ed. and trans. Georg G Iggers (Boston: Beacon Press, 1958); John C. Eckalbar, "The Saint-Simonians in Industry and Economic Development," *American Journal of Economics and Sociology* 38, no. 1 (1979): 83–96; Walter M. Simon, "History for Utopia: Saint-Simon and the Idea of Progress," *Journal of the History of Ideas* 7 (1956): 311–31; Michael Cowen and Robert Shenton, *Doctrines of Development* (London: Routledge, 1996).

¹⁹ Cowen and Shenton, *Doctrines of Development*, 22.

²⁰ Michael Cowen and Robert Shenton, *Doctrines of Development* (London: Routledge, 1996); Arturo Escobar, *Encountering Development: The Making and Unmaking of the Third World* (Princeton, New Jersey: Princeton University Press, 1995); Frédérique Apffel Marglin and Stephen A. Marglin, *Dominating Knowledge: Development, Culture and Resistance* (Oxford: Clarendon Press, 1990).

²¹ Cowen and Shenton, *Doctrines of Development*; Dipesh Chakrabarty, *Provincializing Europe* (Princeton: Princeton University Press, 2000); Marglin and Marglin, *Dominating Knowledge: Development, Culture and Resistance*; John M. Hobson, "The Eastern Origins of Western Civilisation" (Cambridge: Cambridge University Press, July 5, 2004).

²² Francis Fukuyama, *The End of History and the Last Man* (New York: Free Press, 1992).

While dominant ideas are more widely accepted and disseminated, marginal ideas still exist. Marginal ideas are often overlooked, ignored or misunderstood. My analysis of a marginal idea of development finds that Indian Economics adopts a specific view of development that embodies a distinction between inevitable societal change, progress, and active interventions in society, development. My primary material is full of references to “progress”²³ and “growth”²⁴ to denote positive societal change. However, Indian Economics also placed much greater emphasis on negative societal change, “regress,”²⁵ “retrograde”²⁶ and “degradation.”²⁷ The possibility of regress in an age of modernity, a regress caused by the actions of the most advanced and modern state at the time, is an original feature of Indian Economics.

The significance of the Indian Economists in the nationalist movement and the conceptualisation of the national space in Indian Economics has been analysed.²⁸ Research in

²³ See for example, Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:151; Romesh Chunder Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900* (Calcutta: Elm Press, 1902), 161, 158–59; Romesh Chunder Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885* (London: Chatto & Windus, 1897); Romesh Chunder Dutt, *The Peasantry of Bengal* (Calcutta and London: Thacker Spink and Company, and Trubner and Company, 1874), 184; Dadabhai Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, ed. R. P. Patwardhan, vol. 2 (Bombay: Allied Publishers, 1977), 42, 45; Naoroji, *Poverty and Un-British Rule in India*, 188, 201, 366; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 5, 10, 12, 18, 14–15, 21, 43, 121, 123, 131, 193, 210, 277, 309; Mahadev Govind Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, ed. M.B. Kolasker (Bombay: G. Claridge and Company, 1902), 246, 294; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:31, 32, 63, 220, 240, 445, 459, 461, 505, 511, 532, 614. Elevation, prosperity and improvement are also used – e.g. “Progressive improvement” (Dutt, *Indian Famines, Their Causes and Prevention*, 149.).

²⁴ See for example, Mahadev Govind Ranade, *The Miscellaneous Writings of the Late Hon’ble Mr. Justice M.G. Ranade*, ed. Ramabai Ranade and D.E. Wacha (Bombay: The Manoranjan Press, 1915), 117; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 1, 12, 20, 26, 29, 104, 112, 129, 131, 203, 221, 234, 238; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:129, 144, 173, 274, 289, 300, 339, 482, 523, 606; Naoroji, *Poverty and Un-British Rule in India*, 339, 470.

²⁵ Cowen and Shenton, *Doctrines of Development*; John Wyon Burrow, *Evolution and Society: A Study in Victorian Social Theory* (Cambridge: Cambridge University Press, 1966); Robert Nisbet, *Social Change and History: Aspects of the Western Theory of Development*, vol. 313 (New York: Oxford University Press, 1969).

²⁶ See for example, Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:458, 478; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 29, 289, 310–11, 334, 339.

²⁷ Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:274; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 62, 264, 270, 275, 351; Naoroji, *Poverty and Un-British Rule in India*, 201.

²⁸ e.g. Partha Chatterjee, *The Nation and Its Fragments: Colonial and Postcolonial Histories*, vol. 11 (Princeton: Princeton University Press, 1993); Partha Chatterjee, *Nationalist Thought and the Colonial World: A Derivative Discourse* (Minneapolis: University of Minnesota Press, 1986); Goswami, *Producing India: From Colonial Economy to National Space*.

the last thirty years has started to analyse the texts and interlocutors under study here in a new light. I will follow researchers such as Partha Chatterjee, Manu Goswami, Birendranath Ganguli, Benjamin Zachariah and Christopher Bayly by also assigning agency to the Indian Economists – see last section of chapter 2 for further analysis on the various existing secondary literature on Indian Economics.

Despite the shift towards assigning the Indian Economists greater agency in the last three decades, the specific approach to development in Indian Economics is under researched. My contribution is particularly relevant as recent International Political Economy (IPE) scholarship has urged for a more global perspective.²⁹ For instance, Benjamin Cohen's study on the history of modern IPE found that IPE was dominated with British and American scholars.³⁰ While contemporary studies within IPE has started to explore non-European and American contributions to IPE, historical scholarship is still centred on European and American scholarship.³¹ It is particularly important to move beyond this narrow focus because IPE thought is often distinct across geographical and historical discursive spaces.³²

Indian Economics had a unique set of multidiscursive and multispatial contextual determinants that produced a distinct idea of development resembling the much more recent discourse of multiple or alternative modernities.³³ Indeed, as both the Indian Economists argued and David Washbrook argues today, India has progressed with their own logics of development, different from those seen in Europe and North America – this comparison and analysis will come in the conclusion.³⁴ My thesis aims to uncover the largely ignored discursive

²⁹ Eric Helleiner, "Globalising the Classical Foundations of IPE Thought," *Contexto Internacional* 37, no. 3 (2015): 977; Mark Blyth, "Introduction," in *Routledge Handbook of International Political Economy (IPE) IPE as a Global Conversation*, ed. Mark Blyth (London: Routledge, 2009), 1–20.

³⁰ Benjamin J. Cohen, *Advanced Introduction to International Political Economy* (Cheltenham: Edward Elgar Publishing, 2014).

³¹ Helleiner, "Globalising the Classical Foundations of IPE Thought," 975–76.

³² Blyth, "Introduction," 3; Helleiner, "Globalising the Classical Foundations of IPE Thought," 977. As demonstrated by Benjamin Cohen's sequel to the 2008 volume gave details of the state of current IPE scholarship in other regions of the world (Cohen, *Advanced Introduction to International Political Economy*). The same was done by the contributors to a recent special issue of *Review of IPE* who explored contemporary Chinese IPE scholarship (Gregory Chin, Margaret M Pearson, and Wang Yong, "Introduction – IPE with China's Characteristics," *Review of International Political Economy* 20, no. 6 (December 2013): 1145–64.).

³³ For instance, David Washbrook, "From Comparative Sociology to Global History: Britain and India in the Pre-History of Modernity," *Journal of the Economic and Social History of the Orient* 40, no. 4 (January 1, 1997): 410–43; Shmuel Noah Eisenstadt, *Comparative Civilizations and Multiple Modernities* (Leiden and Boston: Brill, 2003).

³⁴ Washbrook, "From Comparative Sociology to Global History: Britain and India in the Pre-History of Modernity"; David A Washbrook, "The Indian Economy and the British Empire," in *India and the British Empire*, ed. D M Peers and N. Gooptu (Oxford: Oxford University Press, 2012), 67; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 1–42.

innovation in Indian Economics at the margins of development discourse. I conclude that Indian Economics foresaw a large proportion of 20th century debates around dependency and different development paths, and offers a more universal win-win vision for global development.

The Problematic of Development Discourse

The dominant narrative or discourse around development asserts that progress spread from England to other European countries, then to European settlements in America eventually reaching Russia and Japan by the end of the 19th century.³⁵ Development here includes economic, political and social phenomenon – e.g. industrialisation, intellectual progress and democracy. The idea of development is often confined to European industrial progress and that region's specific experience with progress.³⁶ The idea of development itself is said to have also originated in Europe and proceeded to disseminate across the world like the material processes of progress. It is unsurprising then that the dominant discourse on development is extensively founded on European ways of knowing.³⁷

What has been much less researched is how *other* meanings came about and what their specific contributions to development debates are. Dominant narratives, like the European idea of progress and development, minimise other ways of describing and theorising the world. History often only includes accounts of winners and relatively powerful societal groups or individuals. Within the discipline of history of ideas and more specifically here the history of economics, studies are predominately about well-known figures such as Smith and David Ricardo, while lesser known figures are rarely cited or analysed. My thesis aims to address the gap by unpacking the production and diffusion of alternative discourses on development by focusing on a group of Indian scholars writing from the margins of the British Empire from 1870 to 1905.

³⁵ For example, see Heinz Wolfgang Arndt, *Economic Development: The History of an Idea* (Chicago: University of Chicago Press, 1987), 13.

³⁶ Marglin and Marglin, *Dominating Knowledge: Development, Culture and Resistance*; Cowen and Shenton, *Doctrines of Development*. For specific and further discussion on the Eurocentric nature of development discourse, see Samir Amin, *Eurocentrism* (New York: Monthly Review Press, 1989); Ronald B Inden, *Imagining India* (Cambridge: Blackwell, 1990); Hobson, "The Eastern Origins of Western Civilisation"; John M. Hobson, *The Eurocentric Conception of World Politics: Western International Theory, 1760-2010* (Cambridge: Cambridge University Press, 2012); Kamran Matin, "Redeeming the Universal: Postcolonialism and the Inner Life of Eurocentrism," *European Journal of International Relations* 19, no. 2 (June 24, 2013): 353–77.

³⁷ Marglin and Marglin, *Dominating Knowledge: Development, Culture and Resistance*; Cowen and Shenton, *Doctrines of Development*.

The general dominance of the European idea of development is widely acknowledged to have affected economic theory across the world.³⁸ A dominant division emerged in the 18th century between the West and East – terms used by interlocutors at the time, including the Indian Economists under study here. The narrative identified a superior West with productive and progressive characteristics and an inferior East with immature and unproductive tendencies. The narrative was shaped around the premise that the West possessed progressive characteristics that the East lacked.³⁹ Kamran Matin has identified four core assumptions of the dominant idea of development: first, Europe was the first to autonomously modernise or progress; second, the autonomous productive progress makes Europe superior; third, the modernisation or progress is universal; and finally, there are stages of development that occur during different time periods in different regions of the world, which is a process that will eventually converge on the global level.⁴⁰

The discourse creates a teleological narrative: Europe was the first to both experience and create discursive practices on development, then these experiences and discourses spread across the world. Other spaces were only passive receptacles or places to Western recipes of societal change. Other peripheral spaces are not seen in their own geographic and historical contexts.⁴¹ In turn, the dominant development discourse crowds out discourses at the margins, such as the idea of development in Indian Economics, which can ultimately lead to ineffective and inappropriate development practices. Development discourse in imperial India, to some extent, shaped the imperial actions and policies.

I am not claiming here that the dominant discourse coming from 19th century Europe is entirely uniform. In fact, my analysis attempts to move away from overly simplified readings of various economic theories that over exaggerates similarities and underestimates marginal differences – especially done with marginal discourses. A few examples from interlocutors adhering to what I label the dominant idea of development will demonstrate some divergences. Smith constructed a materialistic and universal view of development that was based on the division of labour, capital accumulation and market size.⁴² Ricardo theorised how to understand

³⁸ See for example, Bayly, “The Birth of the Modern World: 1780–1914,” 323; Hobson, “The Eastern Origins of Western Civilisation”; Inden, *Imagining India*.

³⁹ Hobson, “The Eastern Origins of Western Civilisation,” 7; Inden, *Imagining India*.

⁴⁰ Matin, “Redeeming the Universal: Postcolonialism and the Inner Life of Eurocentrism.”

⁴¹ Jomo Kwame S. and Erik S. Reinert, eds., *The Origins of Development Economics: How Schools of Economic Thought Have Addressed Development* (New Delhi: Tulika Books, 2005), 17.

⁴² (Tomas Szentes, “Development in the History of Economics,” in *The Origins of Development Economics: How Schools of Economic Thought Have Addressed Development*, ed. Kwame Sundaram Jomo and Erik S Reinert (London and New York: Tulika Books, 2005), 147–48; Adam Smith, *An Inquiry into the Wealth of Nations* (London: Strahan and Cadell, 1776).).

the historical evolution as a conflictual process through identifying an antagonism between capital and wage-labour.⁴³ The free trade doctrine made development unilinear, where all units or nations have to “follow the same path in order to reach the industrial stage.”⁴⁴ Individual and national characteristics determined a nation’s international division of labour. In contrast, Friedrich List revived the mercantilist system and labelled it the ‘industrial system.’⁴⁵ Unlike Ricardo and Smith, members of the American Political Economy such as Robert Hamilton, and John Rae as well as List, argued that a nation could harness the advantages needed to trade successively.⁴⁶ A country’s competitive or comparative advantage was made and not given.

Yet, most scholars adhered to a stadial theory of societal change that went from simple to complex societal structures. The number of stages and what the last stage entailed differed amongst late 19th century interlocutors. However, most, if not all, schools of thought saw the need for a nation to reach industrialisation in order to develop.⁴⁷ For most scholars, industrialisation was the last stage. For Marx, capitalism or industrialisation was to be overthrown to transition to the last stage of communism.⁴⁸ While List was against free trade for an unindustrialised country, in contrast to Ricardo’s theory, List hoped to eventually see free trade between industrialised nations.⁴⁹ Finally, the stadial theory explained experiences and ways of knowing seen in Europe. The dominant idea of development did not cater or conceptualise different experiences and knowledge created outside the geographic regions of Europe and later North America, and perhaps more importantly the interlocutors of the idea rejected the possibility of other regions industrialising and reaching that later stage of progress.

Neither am I claiming that the difference between progress and development is always clear cut. While the definitions of societal change, progress in economic, political, religious and social spheres, and development have certain boundaries. As noted, progress is automatic change and development is the plan to harness such positive change. The boundaries are

⁴³ David Ricardo, *Principles of Political Economy and Taxation* (London: John Murray, 1817); Lucia Pradella, “New Developmentalism and the Origins of Methodological Nationalism,” *Competition and Change* 18, no. 2 (2014): 180–93.

⁴⁴ Pradella, “New Developmentalism and the Origins of Methodological Nationalism,” 184.

⁴⁵ Friedrich List, *National System of Political Economy*, trans. G. A. Matile (Philadelphia: JB Lippincott and Company, 1856).

⁴⁶ Andrea Maneschi, *Comparative Advantage in International Trade: A Historical Perspective* (Cheltenham: Edward Elgar Publishing, 1998).

⁴⁷ Ibid.; Matthew Watson, “Friedrich List’s Adam Smith Historiography and the Contested Origins of Development Theory,” *Third World Quarterly* 33, no. 3 (2012): 459–74; Mauro Boianovsky, “Friedrich List and the Economic Fate of Tropical Countries,” *History of Political Economy* 45, no. 4 (2013): 647–91.

⁴⁸ Karl Marx, *Capital*, trans. Samuel Moore and Edward Aveling, vol. 1–3 (London: Swan Sonnenschein, 1887).

⁴⁹ Watson, “Friedrich List’s Adam Smith Historiography and the Contested Origins of Development Theory,” 463–64.

sometimes blurred – e.g. industrialisation is both considered progressive and a part of the developmental plan in the 19th century. Nevertheless, Indian Economics generally distinguishes between what’s happening in India and the prescriptions for how to harness progressive forces in India, which depends on what’s happening.

My thesis challenges dominant narratives and interpretations of global societal change and development by focusing on the local debates on development that took place in late 19th century India. Highlighting often overlooked marginal discourses make it possible to challenge both historical narratives and contemporary conceptions of development.⁵⁰ Dominant discourse often displaces human agency. As a result, my alternative approach that presumes human agency of all interlocutors can help to deconstruct historical narratives and economic theories.⁵¹ The study helps to deal more adequately with diversity and better recognise agency of diverse socio-political communities, as well as give room for other possible development paths.

I substantiate my aim of challenging the dominant idea of development and reconstructing a marginal idea of development through my theoretical and methodological approach, and empirical focus. I employ a dialogic theoretical framework operationalised through Positive Discourse Analysis (PDA) and focus on the marginalised idea of development in Indian Economics. Firstly, Mikhail Bakhtin’s dialogic approach to analysing discursive practices enables me to theorise how discourses simultaneously constrain and facilitate meaning-making.⁵² My method, PDA, operationalises the dialogic approach into a more concrete step by step process of defining my Indian interlocutors’ multidiscursive and multispatial contexts, and how these contexts affected the particular discursive practices and knowledge created in specific utterances. PDA is also specifically designed to focus on marginal discourses. I explain why I chose a dialogic approach in the section on the theoretical framework below. My research design is outlined in chapter 1. Secondly, I focus on the marginalised idea of development in Indian Economics to understand how discursive practices are affected by

⁵⁰ For example, Hobson uncovered what he called the Oriental West – i.e. Eastern contributions to the rise of the West (Hobson, “The Eastern Origins of Western Civilisation.”). Washbrook has come to similar conclusions (Washbrook, “The Indian Economy and the British Empire”; David Washbrook, “Intimations of Modernity in South India,” *South Asian History and Culture* 1, no. 1 (December 22, 2009): 125–48.).

⁵¹ As is also argued by Inden, *Imagining India*, 264.

⁵² Mikhail Mikhaïlovich Bakhtin, *Speech Genres and Other Late Essays*, ed. Ceryl Emerson and Michael Holquist, trans. Vern W. McGee (Austin: University of Texas Press, 1986); Mikhail Mikhaïlovich Bakhtin, *The Dialogic Imagination: Four Essays*, ed. Michael Holquist, trans. Ceryl Emerson and Michael Holquist (Austin: University of Texas Press, 1981). Michel Foucault has a similar way of understanding how utterances and discursive practices function (Michel Foucault, *The Order of Things: An Archaeology of the Human Sciences* (London and New York: Routledge, 1989), 299.).

various contexts and to uncover overlooked discursive practises. The guiding question throughout my inquiry is as follows:

What shaped the idea of development in Indian Economics from 1870 to 1905?

Explaining the Scope: Three Key Indian Economists between 1870 and 1905

Discursive practices within marginal discourses need to be analysed in their specific context in order to adequately understand their meaning. I need to understand then how discourses spread between interlocutors, space and time. Understanding and examining such a complex and large web of texts and dialogs necessitates an exhaustive analysis. I therefore chose to focus my thesis on a limited time period, 1870-1905, and a small group of interlocutors in a specific multidiscursive and multispatial context – see chapter 1 for a more detailed explanation of these terms and how I define the relevant contexts.⁵³

My analysis will cover the writings of three key Indian Economists, Naoroji, Ranade and Dutt, who were especially prolific interlocutors on India's political and socio-economic issues between 1870 and 1905. I will briefly explain their context and key professional roles, and how their position within late 19th century debates on Indian progress and discourse make them an appropriate focus for my research question. I then outline the reasoning behind the time period – why it starts in 1870 and ends in 1905, as well as why the period is particularly significant in Indian economic thinking.

The Indian Economists came from the first generation of Western educated Indian middle-class elites considered and labelled moderates because they saw cooperation with the British as a viable strategy to bring about progress in India. They were moderates also in the sense that they thought that educating and negotiating with the British about their country would lead to more effective imperial policies. Calling for moderate action helped the Indian Economists create a space to voice their opinions. The imperial rulers were more likely to listen to them, if they negotiated and cooperated. Another group of political activists who emerged later in the 1890s were labelled the “extremists.”⁵⁴ In contrast to the moderates, the extremists did not see cooperation as an effective plan of action. The extremists wanted self-rule for India

⁵³ My approach to multidiscursive and multispatial contexts is similar to what Goswami labels a historical-geographical perspective (Goswami, *Producing India: From Colonial Economy to National Space*, 27–30.).

⁵⁴ Jon Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, Simon and Schuster (London: Simon and Schuster, 2016); Daniel Argov, *Moderates and Extremists in the Indian National Movement, 1883-1920: With Special Reference to Surendranath Banerjea and Lajpat Rai* (Bombay: Asia Publishing House, 1967); Goswami, *Producing India: From Colonial Economy to National Space*.

immediately and found it less effective to discuss with their imperial rulers. For the extremists, the British were never going to help India progress.⁵⁵

While the extremists also represent a marginal discourse, they are less appropriate for my analysis. The extremists were much less involved in the development debate with the imperial rulers, because of their extremist strategy, actions and sentiments. The extremists such as Lal Bal Pal, Bal Gangadhar Tilak and Syed Ahmed Khan were less engaged in theorising and explaining the distinct Indian political economy of development. To analyse what shaped the idea of development in Indian Economics, I need to examine texts and studies on India's progress and development. Ranade's, Naoroji's and Dutt's analyses are excellent examples of such research.

The majority of the Indian Economists adhered to the idea that reform, not revolution, was the best plan of action. For instance, Banerjea uttered at the INC in 1885 that "our motto is reform not revolution."⁵⁶ The moderates had to study India's political and socio-economic reality in order to educate the British. Banerjea, among others, thought of Indians as the adopted children of the Empire and so would benefit more from cooperating with the British, who took into consideration Indian interests.⁵⁷ Revolting against imperial rule would create more chaos and regress than any positive progress.⁵⁸ The moderates established several organisations, institutions and learned societies to foster research, debate and dialog with the imperial rulers. For instance, INC established in 1885 by Allan Octavian Hume, Naoroji and Ranade created a space to voice their concerns about, and prescriptions for, India's numerous problems to the imperial policymakers. The Indian Economists employed discursive practices

⁵⁵ For the most extensive work on the difference between the discourse and actions of the moderates and extremists, see Argov, *Moderates and Extremists in the Indian National Movement, 1883-1920: With Special Reference to Surendranath Banerjea and Lajpat Rai*. See also Goswami, *Producing India: From Colonial Economy to National Space*, 210; Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 294–99; Howard Spodek, "Review: Pluralist Politics in British India: The Cambridge Cluster of Historians of Modern India," *The American Historical Review* 84, no. 3 (1979): 688–707; Bhimrao Ramji Ambedkar, *Ranade, Gandhi & Jinnah* (New Delhi: Siddharth Books, 1943).

⁵⁶ Quoted in Argov, *Moderates and Extremists in the Indian National Movement, 1883-1920: With Special Reference to Surendranath Banerjea and Lajpat Rai*, 47.

⁵⁷ Surendranath Banerjea, *Speeches and Writings of Hon. Surendranath Banerjea: Selected by Himself* (Madras: GA Natesan & Company, 1917), 336; Argov, *Moderates and Extremists in the Indian National Movement, 1883-1920: With Special Reference to Surendranath Banerjea and Lajpat Rai*, 172. For instance, Naoroji uttered at INC in 1886 that a meeting of so many of India's diverse groups was a progressive event and would never have happened had it not been for the imperial rulers (quoted in *Ibid.*, 32.).

⁵⁸ Argov, *Moderates and Extremists in the Indian National Movement, 1883-1920: With Special Reference to Surendranath Banerjea and Lajpat Rai*, xi.

from existing Western schools of thought and contemporary debates in order to be understood and listened to by the imperial rulers.⁵⁹

There were about nine Indian Economists who produced research within Indian Economics mainly scattered across the three locations of the imperial universities in Bombay, Calcutta and Madras. These earliest Indian Economists from 1870 to 1905 are considered the first generation of modern Indian Economists. Some Indian Economists, like Ranade, Iyer and Telang openly self-identified as Indian Economists. Others, like Naoroji and Dutt, have been labelled Indian Economists by later interlocutors and secondary literature because their research actively sought to understand and represent the Indian experience of progress and development.

I have chosen to focus on Naoroji, Ranade and Dutt within Indian Economics because they illuminate a shared idea of development conceptualised and held in late 19th century India. Additionally, Naoroji, Ranade and Dutt were prolific writers and theorists, giving this thesis a wide breadth of primary material to analyse. Out of some 20,000 pages of primary material within Indian Economics during this period, Naoroji, Ranade and Dutt wrote and/or published almost half of those.⁶⁰ The majority of the texts were in English in order for them to be read by their target audience, the imperial rulers – see chapter 1 for a full list of the primary materials and further discussion on the selection of texts. Their works and ideas were also widely read among Indian intellectuals at the turn of the 19th century.⁶¹ For instance, in the published correspondence between Naoroji and Wacha there are several instances when Wacha mentions how he has printed and distributed Naoroji's writings to a large community of interested readers.⁶²

I have also decided to focus on Naoroji, Ranade and Dutt because they exemplify various and sometimes conflicting perspectives on the ideas of progress and development within Indian Economics. My dialogic approach to analysing marginalised discourse attempts to untangle the

⁵⁹ Argov, *Moderates and Extremists in the Indian National Movement, 1883-1920: With Special Reference to Surendranath Banerjea and Lajpat Rai*; Goswami, *Producing India: From Colonial Economy to National Space*, 210; Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 294–98.

⁶⁰ There are circa 2500-3000 pages each for Naoroji, Ranade and Dutt.

⁶¹ This is especially the case for Naoroji, *Poverty and Un-British Rule in India*; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*.

⁶² Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*; Dadabhai Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, ed. R. P. Patwardhan, vol. 2 (Bombay: Allied Publishers, 1977).

often-overlooked nuances between interlocutors, discourses and utterances. Divergences in discursive practices help to both better understand the overall idea of development found in Indian Economics, but also reveal a complex dialogue about the nature of how Indian development discourses saw societal change and devised an appropriate plan to foster positive societal change. For instance, Ranade theorised the specific Indian tendencies of societal change. Naoroji measured and conceptualised the British drain of Indian resources to explain the destruction of an imperial economy. Dutt studied why late 19th century India was experiencing higher death tolls during famines, finding that it was not a lack or decline in crop yield caused by drought but a lack of access to food due to growing rural poverty and indebtedness.

Naoroji, Ranade and Dutt also explicitly disagree on elements of their idea of development. For example, Ranade was a proponent of foreign capital investment because, as he argued, India's capital scarce economy needed all the capital she could get. Naoroji and Dutt, however, dispute the idea that any capital would have a progressive effect as exemplified by the negative effects of British capital on India's economy. According to Naoroji, British capital in India was not being invested into manufacturing to increase much needed industrial production but rather used to develop railways that only catered to distributing British manufactured goods, increasing competition and causing deindustrialisation in the subcontinent. The primary material analysed therefore exhausts a wide range of ideas and perspectives that existed within Indian Economics and can expose informative disagreements and contradictions. Nevertheless, when another Indian Economist has written more extensively on a topic or disagrees with one of my key protagonists, I bring their writings into the analysis.⁶³ In general, however, Naoroji, Ranade and Dutt are informative interlocutors for my research question due to their extensive, significant research on the Indian political economy of development.

Naoroji (1825-1917) is most known as the 'Grand Old Man' of India, a name he felt honoured to be called⁶⁴. Naoroji was born into a poor Gujarati Parsee family of priests in Bombay. He studied at the Elphinstone Institution, first started as an English language school for Indian students in 1824, it later became a high school preceding a resolution in 1827 and a large donation by the general public that designated the school to teach Indians the English

⁶³ For instance, Telang wrote a seminal paper on the free trade versus protection debate, which was widely read and cited by Ranade. I therefore brought the paper into my analysis in chapter 4.

⁶⁴ "London School of Economics Library Archives on Britain and South Asia (16-Non-ILP Print: Miscellaneous). Independent Labour Party Papers: ILP/16/1901. 'Mahadev Govind Ranade: His Life and Career' (Madras: G. A. Natesan and Company, Esplanade) (Pamphlet)," 1901. The pamphlet has a short autobiography in Appendix A in which Naoroji confirmed all the details included in the main body.

language as well as the Arts, science and European literature. A separate institution was later established in 1856 entitled the Elphinstone College – one of the oldest colleges of the University of Bombay. At the school, Naoroji followed a Western curriculum – the prescribed textbooks during the period were Horace William Clift’s *Elements of Political Economy* and John Stuart Mill’s *Principles of Political Economy*.⁶⁵ He started a newspaper at twenty-five, helped establish a political association in Bombay at twenty-seven and was appointed to a mathematics and philosophy chair at twenty-nine at the Elphinstone Institution.⁶⁶ At the age of thirty, he went to England to set up an English branch of the company he worked for in India, to then later set up his own cotton-trading firm and teach Gujarati as a professor at University College London.⁶⁷

Naoroji was the leading figure in articulating growing concerns of India’s extreme poverty and how the imperial rulers were to blame.⁶⁸ His main thesis and explicit goal was that India had the potential to elevate and ameliorate its socio-economic condition.⁶⁹ He aimed to bring “progress” to India by exposing the “drain of wealth” from India to Britain.⁷⁰ Unlike many of the other Indian Economists, he pursued political roles and integrated himself into progressive social milieus in England rather than in India because he believed that the British public would be more likely to respond to his arguments and could more easily be persuaded to reform the imperial structure.⁷¹ During his thirty years in England, he became a nodal point in a network of Indians coming to study law in London.⁷² He held several political roles in India,⁷³

⁶⁵ “Maharashtra State Archives, Elphinstone College Records, Volume 9, List of Books,” n.d.; John Stuart Mill, *Principles of Political Economy with Some of Their Applications to Social Philosophy* (Manchester: George Routledge and Sons, 1848); Horace William Clift, *Elements of Political Economy: Designed as a Manual for Education* (Calcutta: School-Book Society’s Press, 1846). See also Sharmin Khodaiji, “Formalising a Discipline: History of Economics and Economic Thought in Early-Twentieth Century India,” in *21st Annual European Society for the History of Economic Thought Conference* (Antwerp, 2017).

⁶⁶ Wilson, *India Conquered: Britain’s Raj and the Chaos of Empire*, 335.

⁶⁷ Ibid.

⁶⁸ Ibid.

⁶⁹ In a rather personal, although brief, autobiography, Naoroji explicitly thanked his mother for instilling him with progressive ideas (“London School of Economics Library Archives on Britain and South Asia (16-Non-ILP Print: Miscellaneous). Independent Labour Party Papers: ILP/16/1901. ‘Mahadev Govind Ranade: His Life and Career’ (Madras: G. A. Natesan and Company, Esplanade) (Pamphlet),” 35.)

⁷⁰ Wilson, *India Conquered: Britain’s Raj and the Chaos of Empire*, 336.

⁷¹ Ibid., 337.

⁷² For instance, at the first INC, many of the participants had been introduced to each other by Naoroji in London (Ibid.). See chapter 2, table 3, for a full list of Naoroji’s, as well as other Indian Economists’, key life events and professional roles.

⁷³ For instance, he was the Dewan of Baroda State, member of the Municipal Corporation in Bombay, and INC president in 1905. See chapter 2, table 3, for a full list of Naoroji’s key life events and professional roles.

but most notably he was the first Indian to be elected as a member of the British Parliament in 1892.⁷⁴

There are stark similarities between Ranade (1842-1901) and Naoroji's lives. Ranade was born in Bombay into a middle-class family of Marathi Brahmin government officials.⁷⁵ Ranade studied law also at Elphinstone Institution instructed with the same Western textbooks listed above. That he was an exemplary student is clearly evident from the fact that his MA exam was sent to the University of Edinburgh to serve as model for Scottish students.⁷⁶ He then worked at the Elphinstone College in different research capacities. Ranade is most well-known for his position as judge at the High Court – the highest legal position that could be achieved by an Indian at that time.⁷⁷

Several eminent British authorities thought of Ranade as a reformer who spoke of the social, political and economic injustice that he witnessed in India. For instance, another Indian Economist, Gokhale, described Ranade as tolerant of all religions and classes, willing to cooperate with anyone, and firmly believing in giving a common platform for the Indian nation. Ranade believed that the people of India were first Indians and then Hindus, Muslims, Parsees and Christians etc., and he wished for progress for all⁷⁸ – much like Naoroji.

In 1870, Ranade, along with for instance Joshi, founded and started to lead the Pune Sarvajanic Sabha organisation in 1870 to create a mediating body between the imperial officials and Indians and a space to voice concerns about imperial institutions. The organisation started publishing the *Quarterly Journal of Poona Sarvajanic Sabha* in order to educate the public and

⁷⁴ Naoroji ran two other times unsuccessfully (Rustom Pestonji Masani, *Dadabhai Naoroji: The Grand Old Man of India* (London: George Allen & Unwin Ltd., 1939); "London School of Economics Library Archives on Britain and South Asia (16-Non-ILP Print: Miscellaneous). Independent Labour Party Papers: ILP/16/1901. 'Mahadev Govind Ranade: His Life and Career' (Madras: G. A. Natesan and Company, Esplanade) (Pamphlet).").

⁷⁵ Mahadev Govind Ranade, *Select Writings of the Late Hon'ble Mr. Justice M.G. Ranade on Indian States*, ed. Vasudeo Waman Thakur, 1st ed. (Indore: Datta Printing Works, 1942), 1–6; Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 294.

⁷⁶ Donald Mackenzie Brown, *The Nationalist Movement: Indian Political Thought from Ranade to Bhave* (Berkeley and Los Angeles: Univ of California Press, 1970), 39.

⁷⁷ Ranade, *Select Writings of the Late Hon'ble Mr. Justice M.G. Ranade on Indian States*, 1–6; Robert Gallagher, "M .G. Ranade and the Indian System of Political Economy," *EIR* 15, no. 22 (1988): 11–15; John Adams, "The Institutional Economics of Mahadev Govind Ranade," *Journal of Economic Issues* 5, no. 2 (1971): 80–92; "London School of Economics Library Archives on Britain and South Asia (16-Non-ILP Print: Miscellaneous). Independent Labour Party Papers: ILP/16/1901. 'Mahadev Govind Ranade: His Life and Career' (Madras: G. A. Natesan and Company, Esplanade) (Pamphlet)."

⁷⁸ "London School of Economics Library Archives on Britain and South Asia (16-Non-ILP Print: Miscellaneous). Independent Labour Party Papers: ILP/16/1901. 'Mahadev Govind Ranade: His Life and Career' (Madras: G. A. Natesan and Company, Esplanade) (Pamphlet)."

imperial rulers on political, industrial, agricultural, educational and economic questions.⁷⁹ Sarvajanic Sabha is Marathi for public society. Many of Ranade's contemporaries, including Gokhale, found his critique of English or Classical Political Economy useful in seeing how and where the theories did not or could not apply to India's economic reality. Ranade's analysis gave him an understanding of the connection between theory and India's economic progress, exposing the limits of existing theories and the modifications required to make political economy theory applicable to India.⁸⁰

Dutt (1848-1909) was born into a Bengali family of the British East India Company employees in Calcutta well known for their literary and academic achievements. He graduated from Calcutta University in 1866. He left India in 1868 for Britain without permission from his parents. He was admitted to the University College and sat the Indian Civil Service examinations in 1871. The same year, he became the second Indian to be appointed in the Indian Civil Service employed as an assistant magistrate and collector.⁸¹ In 1883, he became the first Indian to be appointed district magistrate, eventually serving in Bengal, Burdwan and Orissa. He was the president of the literary association of Bengal during its founding year in 1894, also served as president of the INC in 1899 held in Lucknow, and he presided over the industrial exhibition held in Benares 1905 in connection with the twenty-first session of INC. In 1897, he became professor of Indian History at the University College London. He was a regular contributor to the internationally recognised newspaper *The Manchester Guardian*, known for publishing alternative perspectives, from 1898 particularly on famines and tariffs. Some of his letters were published in 1900 as a book to display his studies on Indian rural development, and he wrote a number of works on history, economics and translations of Indian Classics for the British 'Temple Classics' series.⁸²

⁷⁹ Ranade, *Select Writings of the Late Hon'ble Mr. Justice M.G. Ranade on Indian States*, 3; Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 236, 245–47; Ranade, *The Miscellaneous Writings of the Late Hon'ble Mr. Justice M.G. Ranade*, 219. For information, see chapter 2 and Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 294–95.

⁸⁰ Ranade, *Select Writings of the Late Hon'ble Mr. Justice M.G. Ranade on Indian States*, 3–5.

⁸¹ Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 340. The first Indian to be appointed in the Indian Civil Service was Satyendra Nath Tagore (1861-1941). He was a Bengali literary figure from one of the leading families in Calcutta during his time, most known for winning the 1913 Nobel Prize in Literature.

⁸² Gupta, *Life And Work Of Romesh Chunder Dutt*; Tapan Raychaudhuri, *Dutt, Romesh Chunder [Rameshchandra Datta] (1848–1909), Administrator in India and Author*, *Oxford Dictionary of National Biography*, vol. 1 (Oxford University Press, 2004); Pauline Rule, *The Pursuit of Progress: Of the Intellectual Development of Romesh Chunder Dutt, 1848-1888* (Calcutta: Editions India, 1977); Aditya Mukherjee, "Empire: How Colonial India Made Modern Britain," *Economic and Political Weekly* 45, no. 50 (2010): 73–82.

Dutt's thesis on deindustrialisation and the urban-rural polarisation of India's economy was and is still a forceful argument in Indian historiography.⁸³ Through historical studies of India's economy, Dutt argued that India had been deindustrialised and impoverished by the imperial regime. Dutt brought attention to the excessive taxes draining the Indian peasants of their already very little wealth, which exacerbated deaths during droughts leading to some of the worst famines in Indian history at the end of the 19th century. In other words, he agreed with Naoroji and Ranade that Britain was draining India of its wealth. As moderates, they believed that if the imperial rulers were informed of such a policy then they could be persuaded to implement more progressive and less extractive imperial policies.

I chose the period, 1870-1905, because it reflects a period of mounting research in political and economic theory globally and in India.⁸⁴ Actual global developments were challenging Britain's global dominance and increased inequalities in the Indian colony – such as Britain's industrialisation and India's subsequent marginal industrial growth, the Long Depression in Europe from 1873 to 1896 and the great famines in India, 1876-1878, 1897-1897 and 1900-1901.⁸⁵ 1870 marks the start of a period with growing theorisation and analysis of Indian economic problems – e.g. Naoroji's inaugural text on "The wants and needs of India," first published in 1870, had a significant effect on the writings and discourses to follow.⁸⁶ The first generation of Indian graduates had become established interlocutors and researchers on the Indian economy by the 1870s. These Indian intellectual elites managed to establish and join hundreds of associations, organisations and institutions where they could voice their concerns about India's poverty with the imperial regime. The group are considered the first generation of Indian economists.

As chapter 2 will show, there was an increasing number of spaces as of the 1870s where Indian interlocutors could share, elaborate and develop their discourses around the question of progressing India. For example, INC was established in 1885, along with the Social and Industrial Conferences. Like Naoroji's article cited above, the lectures and speeches held at various conferences, meetings and lectures were often published in newspapers, journals and books. The most well-known and distributed texts in Indian Economics of this period include: Naoroji's inaugural publication on the wants and needs of India, Ranade's founding text of

⁸³ Goswami, *Producing India: From Colonial Economy to National Space*.

⁸⁴ As found by Joseph Schumpeter, *History of Economic Analysis* (Allen & Unwin Ltd, 1954), 721.

⁸⁵ Goswami, *Producing India: From Colonial Economy to National Space*, 11. For an analysis of the multispatial context in India and relevant global political and socio-economic trends during this period, see chapter 2.

⁸⁶ Later published in Naoroji, *Poverty and Un-British Rule in India*, chap. 1.

Indian Economics, later published in Ranade's well-known *Essays on Indian Economics* first published in 1898,⁸⁷ Naoroji's widely read *Poverty and un-British Rule* published in 1901, and Dutt's also widely acclaimed two volumes of the *Economic History of India*.⁸⁸

The period of study ends in 1905 because Ranade had tragically already passed away (in 1901) and it generally marks a shift in Naoroji and Dutt's intentions and subsequently research output – as is explicit in the primary sources and by secondary literature.⁸⁹ Naoroji and Dutt were initially moderates advocating for a cooperative strategy, but by the early 20th century they started to question whether their strategy was working. The imperial rulers did not seem to change their policies even after having been educated in India's real political and socio-economic problems which Indian Economists of the late 19th century had attempted to uncover. Subsequently, Naoroji officially changed INC's goal. In 1906, he declared that the INC would prioritise fighting for self-rule.⁹⁰ After 1905, the Naoroji and Dutt's main goal was no longer to theorise or explain the Indian economy to British rulers but rather to fight for independence.⁹¹

Identifying the Theoretical Approach: Dialogic definitions, theories and thinking

I employ a dialogic approach to analyse the three key Indian Economists from 1870 to 1905. Bakhtin and his circle's theory of dialogism that emerged at the beginning of the 20th century form the basis of how I understand meaning-making.⁹² I have chosen dialogism because the theory contextualises and assigns agency to all interlocutors and their discursive practices. A dialogic approach, as supposed to other social theories, has enabled me to analyse how Indian Economics was able to refract and redefine existing development discourse.

⁸⁷ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 1–42.

⁸⁸ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*.

⁸⁹ For example, see Naoroji's speech at INC in 1906. For secondary literature, see e.g. Chandra, *The Rise and Growth of Economic Nationalism in India*.

⁹⁰ Dadabhai Naoroji, *Dadabhai Naoroji: Selected Private Papers*, ed. S. R. Mehrotra and Dinyar Patel (New Delhi: Oxford University Press, 2016), xxxv–xxxvi.

⁹¹ To be clear, this is not to say that later Indian Economists stopped researching and publishing studies, however, my main protagonists generally show a change of strategy by 1905. Other studies, such as Sharmin Khodaji's PhD research at Jawaharlal Nehru University, looks at the later period of Indian Economics, focusing on its institutionalisation – see e.g. Khodaji, "Formalising a Discipline: History of Economics and Economic Thought in Early-Twentieth Century India."

⁹² Bakhtin, *The Dialogic Imagination: Four Essays*; Bakhtin, *Speech Genres and Other Late Essays*; Valentin Nikolaevich Voloshinov, *Marxism and the Philosophy of Language*, trans. Ladislav Matejka and I. R. Titunik (New York: Seminar Press, 1973); Valentin Nikolaevich Voloshinov, *Freudianism: A Marxist Critique*, ed. I. R. Titunik, trans. I. R. Titunik (London: Verso, 1976). For secondary literature on dialogism, see Michael Holquist, *Dialogism: Bakhtin and His World* (London: Routledge, 2002).

I take a functional approach to language, as opposed to a formalist approach that sees language as a rigid and formal structure.⁹³ It is inappropriate for my analysis to see language as having a rigid structure because it would leave little possibility for the marginalised idea of development in Indian Economics to be different from dominant development ideas. Dialogism sees language instead as a tool rather than a structure, which enables me to analyse discursive practices within Indian Economics without imposing constraints *ex ante*.

Dialogism is more appropriate than other theories that also emphasise the contextual determinants of meaning-making – such as Jürgen Habermas, Jacques Derrida and Quentin Skinner.⁹⁴ Habermas is inapplicable because his theory assumes the possibility of a rational, scientific understanding of the natural world. Assuming rationality means that I would claim to be finding the ‘true’ or ‘right’ meaning of Indian Economics. On the contrary, I deny the possibility of there being one ‘true’ interpretation of a text, let alone that it can be found. Rather, my dialogic approach helps me to explain that specific past and present contexts are what give meaning in certain moments and spaces. Derrida’s theory of deconstruction concentrates too much on deconstructing dominant discourses and exposing contradictions within texts. I aim to expose discursive innovation within marginal discourse, resembling more *construction* than deconstruction. Finally, Skinner’s theory in intellectual history focuses almost entirely on intentions and motives present within texts and lacks some of the more rigorous understanding which dialogism offers in explaining meaning-making through dialog and context.

I have chosen dialogism for primarily two reasons. First, by assigning agency to all interlocutors, dialogism helps us understand how language both makes and changes reality. I can recognise that each interlocutor has some agency to share his or her meaning through dialog. Dominant shared meanings like development may appear more frequently in everyday utterances reinforcing its dominance, however, marginalised interlocutors also have agency to interact with and change dominant discursive practices. Second, Bakhtin’s theory explains the dialogical nature of meaning-making by emphasising context.⁹⁵ The interaction between

⁹³ For example, scholars like Ferdinand de Saussure see language as a formal structure within which agents have to communicate (Ferdinand de Saussure et al., *Course in General Linguistics* (London: Duckworth, 1916)).

⁹⁴ Quentin Skinner, “Meaning and Understanding in the History of Ideas,” *History and Theory* 8, no. 1 (1969): 3–53; Jürgen Habermas, *The Theory of Communicative Action*, vol. 1 (Boston, MA: Beacon Press, 1981); Jacques Derrida, *Speech and Phenomena: And Other Essays on Husserl’s Theory of Signs*, trans. Newton Garver (Evanston: Northwestern University Press, 1973).

⁹⁵ Mikhail Bakhtin, *Problems of Dostoevsky’s Poetics*, ed. and trans. Caryl Emerson (Austin: University of Texas Press, 1984); Bakhtin, *The Dialogic Imagination: Four Essays*; Bakhtin, *Speech Genres and Other Late Essays*.

different discursive and spatial contexts offers insight into what and how understandings of development were produced in late 19th century development thinking in Indian Economics.

Recognising agency and emphasising context are particularly important when analysing marginal discourses. The idea of development in Indian Economics is a marginal discourse that functioned within an imperial setting where the Indian Economists were treated as inferior and its addressees were considered superior. As marginalised interlocutors in the ongoing debates around Indian progress and development, the Indian Economists often get overlooked as unoriginal. Like Bayly writes, global historical narratives on Western superiority often omit the fact that India also had and created discourses to understand political and socio-economic changes throughout the 18th and 19th centuries.⁹⁶ Bakhtin's dialogic approach enables this thesis to assign agency to the Indian Economists and in turn offers other possible meanings of development.

Thesis Overview

The thesis demonstrates discursive innovation in Indian Economics across 5 chapters. The first part contains two chapters that explain my research design (chapter 1) and contextualise Indian Economics development discourse respectively (chapter 2). The second part contains the discourse analysis of the idea of development in Indian Economics in two chapters, starting with a construction and evaluation of the idea of societal change found in the Indian Economists' two conceptions of progress and regress (chapter 3), and then a construction of the plan to harness progress, i.e. development, in Indian Economics (chapter 4). The last part concentrates on the discursive innovation in Indian Economics, specifically how Indian Economics redefined universal development (chapter 5). Finally, I explain how the rethinking of universal development illustrates that late 19th century Indian interlocutors were already conceptualising what late 20th century social historians labelled multiple modernities.

Chapter 1 lays out my research design, explaining how Bakhtin's theory of dialogism is operationalised through PDA. Dialogism offers an ability to both understand interactions between interlocutors, context and discursive practices and how these connections affect meaning making and the construction of different world-views. Dialogism is then operationalised through PDA, which provides specific steps and tools to analyse marginal discourses. PDA is particularly relevant to the thesis because it aims to construct discursive

⁹⁶ Bayly, "The Birth of the Modern World: 1780–1914," 79.

innovation within marginal discourses, rather than denaturalise dominant discourse associated with the more widely known method of Critical Discourse Analysis (CDA).

Chapter 2 situates Indian Economics within its multidiscursive and multispatial context from 1857 to 1905, as directed by my method. A clear and thorough understanding of the Indian Economists various contexts is necessary, because I argue that discourse can only be adequately understood within its temporal and spatial locality. The chapter first offers a nuanced account of multifaceted political, socio-economic trends taking place in India from 1858 to 1905. It primarily deals with the main research areas in Indian Economics, namely (de)industrialisation, agricultural commercialisation and famines. The chapter then outlines the multidiscursive context to understand the intertextual and ideological influences present in late 19th century India. It focuses on determining the Indian Economists' discursive resources acquired during their Western education at the imperial universities and the key debates around Indian development among primarily British interlocutors. Finally, the chapter examines the emergence of Indian Economics, including the reasons for and the goals of Indian Economics, the several Indian Economists involved and the various strands.

Chapter 3 explores the understanding and conceptualisation of societal change in Indian Economics, because the Indian Economists argued that it was necessary to have a thorough historical understanding of Indian societal change in order to construct an effective and appropriate development plan for India. The chapter first examines the conceptualisation of tendencies of societal change, which deals with how Indian Economics employs analogies from the natural world to explain interdependent societal parts and to explain how society changes or progresses like the animal kingdom evolves – similar to 19th century social evolutionary theorists. Secondly, the chapter shows how Indian Economics conceptualised possible outcomes of such changes through a stadial theory of progress and two potential and distinct trends: regress and progress. Through a re-reading of Indian history, Indian Economics illustrated how India had previously been at a higher stage of progress but had since regressed to a lower stage. The chapter ends with an analysis of the nuances within Indian Economic thinking on societal change. The conceptualisation of societal change in some Indian Economics texts assumed universality, while in others it did not.

Chapter 4 examines the comprehensive idea of development in Indian Economics. The plan resembles what 20th century theorists labelled a balanced growth policy framework, where all dimensions of the economy needs a policy to harness progressive forces. Furthermore, the plan is clearly distinct from the laissez-faire, free trade policies advocated by the English

textbooks taught to the Indian Economists and some British imperial discourse forcing open Indian borders. As seen with the conceptualisation of societal change, different Indian Economists have varying components to their idea of development. One major internal disagreement within Indian Economics was about social reform – for instance, Naoroji and Dutt primarily only saw the need for political and economic reform whereas Ranade argued that social reform was also paramount.

Chapter 5 focuses on the main discursive innovation within Indian Economics development thinking. Indian Economics redefined the universal in the 19th century dominant idea of development. Indian Economics longstanding label as economic nationalism means that the chapter first attempts to reconcile its nationalist characteristic with its undeniable universalist idea of development. The Indian Economists were both nationalistic in aiming to foster a national collective and equally-distributed wellbeing and universalist in aiming, in the long run, for a universal global society of free trade and industrialisation. The chapter then lays out the two main discursive steps Indian Economics effectively took to reconfigure global development theory. First, the Indian Economists justified India's ability to advance to a higher level of progress by rejecting the historicism of Eurocentrism, which dictated that modernity originated in Europe. Through the unique reading of history, Indian Economics argued that India had been progressive in the past and could therefore return to its former glory. Indian Economics could, as a result, use European ideas of development such as List's and Ricardo's that had been deemed, both by its authors and followers, inapplicable to undeveloped countries like India. Second, the rejection of historicism also enabled Indian Economics to conceptualise the Indian economy as a dependent political economy by uncovering the intentional and disguised extractive nature of imperial policy. I argue that the theorisation in Indian Economics pre-empts 20th century dependency theory.

The main contribution of chapter 5 demonstrates how the two aforementioned steps enabled Indian Economics to reconstruct a universal idea of development without an international division of labour. Indian Economics theorised that global industrialisation would bring greater growth to all countries thanks to increased potential for capital accumulation, leading to more investment and production, and greater aggregate demand due to higher employment in newly industrialised countries. Previous trade theories associated with classical economists such as Ricardo and Smith were Eurocentric, justifying a zero-sum game worldview where Europe would industrialise and the rest of the world would produce raw materials. Even though List uncovered this bias in Ricardo and Smith's theories, he dismissed the possibility of Asian progress. My protagonists were able to envisage a truly global and universal idea of

development that incorporated both List's theory according to which there are different paths to industrialisation depending on the national context (e.g. protection for infant industries) and a win-win trade framework where all countries would prosper from industrialisation – as opposed to losing out due to competition in a zero-sum framework.

Finally, I conclude by showing how the idea of development in Indian Economics is a precursor to the late 20th century literature on multiple modernities. The literature concludes that there are many paths of development and effectively critiqued the dominant concept of modernity or modernisation, which invariably assumes universal processes of progress occur similarly across the world.⁹⁷ The concept denies non-Western history its rightful ownership.⁹⁸ The conclusion illustrates how the Indian Economists conceptualised an idea of progress and development that acknowledged the multifaceted ways in which progress or the inverse, regress, could materialise in society despite the simultaneous presence of universalising and homogenising forces due to colonisation and ever more globalisation and capitalism.

⁹⁷ Leon Trotsky, *The History of the Russian Revolution*, trans. Max Eastman, vol. 1–3 (Ann Arbor: University of Michigan Press, 1932); Leon Trotsky, *Permanent Revolution and Results and Prospects* (New York: Merit Publisher, 1969); Alexander Gerschenkron, *Economic Backwardness in Historical Perspective* (Boston: Belknap Press of Harvard University Press, 1962); Alexander Gerschenkron, *Bread and Democracy in Germany* (Berkeley: University of California Press, 1966); David Washbrook, "The Global History of Modernity: A Response to a Reply," *Journal of the Economic and Social History of the Orient* (Brill, 1998); Washbrook, "From Comparative Sociology to Global History: Britain and India in the Pre-History of Modernity"; Washbrook, "Intimations of Modernity in South India"; Eisenstadt, *Comparative Civilizations and Multiple Modernities*; Jon Wilson, "How Modernity Arrived to Godavari," *Modern Asian Studies* 51, no. 2 (2017): 399–431; di Giorgio Borsa, *Le Origini Del Nazionalismo in Asia Orientale*, ed. G. C. Calza (Pavia: Università di Pavia, 1965); Elsje Fourie, "A Future for the Theory of Multiple Modernities: Insights from the New Modernization Theory," *Social Science Information* 51, no. 1 (March 15, 2012): 52–69; Charles Taylor, "Two Theories of Modernity," *Public Culture* 11, no. 1 (1999): 153–74.

⁹⁸ Washbrook, "The Global History of Modernity: A Response to a Reply," 297; Washbrook, "Intimations of Modernity in South India."

Chapter 1 – Research Design: Theorising and Operationalising Positive Discourse Analysis

*[A]fter all, there are no words that belong to no one.*⁹⁹

Mikhail Bakhtin

Unequal power distribution between interlocutors leads to unequal dissemination and impact of various discourses. In dialogue all people have the right to use certain words with particular meanings specific to them. Interlocutors of past, present and future dialogues too have their right to the word - “after all, there are no words that belong to no one.”¹⁰⁰ Yet, the reception and spread of discourses depends on interlocutors’ positioning. In Bakhtin’s conceptual framework, he distinguishes between authoritative or internally persuasive discourses. Likewise, Allan Luke separates discourse into dominant and marginal. My analysis adopts Bakhtin’s theory of dialogism, operationalising it through Luke’s method of Positive Discourse Analysis (PDA). In so doing, I am able to examine the Indian Economists’ marginal position and understand how inequality affects the idea of development in Indian Economics. In sum, my chosen research design offers a systematic approach that integrates interlocutors’ unequal position to effectively expose and evaluate the discursive innovation from and at the margins.

The Indian Economists were part of the Indian elite – they were educated, materially well-off and most were of higher castes, holding prominent roles in governmental, legal and social institutions. Nevertheless, relative to British officials and both British and European politicians and intellectuals, they were in an inferior position. As a result, the Indian Economists struggled to produce a dominant discourse – one that would disseminate and be seen as distinct. The Indian Economists fought hard to gain a discursive space to share their ideas on Indian development, and once that space was secured, such as in places like the INC or the various learned societies and conferences, they had to further employ rhetorical devices to persuade the British and other European intellectuals of their view of and prescriptions for India. As was to be expected, acceptance was rare, and it is not until recently that scholars have given the Indian discourse and texts sufficient attention.

I will illustrate in this chapter that using Bakhtin’s theory of dialogism and PDA has enabled me to assign agency to Indian Economics’ contribution to development discourse and in turn expose often overlooked discursive innovation from non-Western regions of the world. As

⁹⁹ Bakhtin, *Speech Genres and Other Late Essays*, 121–22.

¹⁰⁰ Ibid.

shown in Homi Bhabha's research, the experiences and discourses of populations at the margins and peripheries have been neglected, oppressed and excluded.¹⁰¹ Other research has not used the same combination of research question, theory and method as I do in this thesis. I argue that the present combination of dialogism and PDA has enabled me to contribute new insights on the idea of development in Indian Economics.

I show below that Bakhtin's theory of meaning-making both characterises and explains the production of different types of discourse and that Luke's PDA offers the necessary tools and steps to identify and analyse those types. The chapter outlines how Bakhtin's theory of dialogism forms my understanding of discursive practices (e.g. how they manifest themselves in everyday life, how they disseminate) and how I characterise different discursive practices (see section on theoretical framework). PDA offers the tools and steps to systematically expose Indian Economics' marginal discourse that was and continues to be dwarfed by dominant development discourse (see section on methodology).

Theoretical Framework: Dialogism

Understanding what shaped the idea of development in Indian Economics involves exposing and analysing the obvious and subtle intertextuality – relations between texts seen through, e.g., citations – of both my primary material and texts that my protagonists would have had access to. My primary material consists of selected Indian Economics' texts in the form of letters, lectures, journal articles and books – see section on primary material below. I can build a picture of what the Indian Economists read through direct citations in the primary material and similar discursive practices between my primary material and prominent texts. Additionally, secondary material from archives, such as reading lists of courses taken by my protagonists, and secondary literature that give a comprehensive picture of the intellectual debates taking place in and between India and Europe create a rich picture of the Indian Economists' discursive resources. Intertextuality, and more generally the way meaning is produced in society, requires an understanding of how relationships between texts create meaning. Bakhtin's theory of dialogism provides a particularly effective way to understand such processes.

The Russian philosopher Bakhtin and his circle offer a dialogic approach to analyse how language is used by societal actors within specific contexts, relations and ideological discursive

¹⁰¹ Bhabha describes it as a "negating experience" (Homi K. Bhabha, *Nation and Narration* (London: Routledge, 2013), xi.).

practices.¹⁰² Dialogism focuses on the interaction between utterances and interlocutors in specific spatial and temporal moments.¹⁰³ In other words, dialogue has a key role in society not through its text, but through the people involved in dialogue and its context.

In order to better understand discursive practices, Bakhtin defined utterance as an act, a social event of discursive relations and the main unit of meaning.¹⁰⁴ A particular chain of utterances is what Bakhtin defines as discourse. Furthermore, utterances are determined by their context. Bakhtin sees any utterance as a response to previous utterances, the anticipation of future utterances, and contingent to its political, socio-economic and historical context.¹⁰⁵ While other (positivist) linguists such as Ferdinand de Saussure and Avram Noam Chomsky argue that all humans share the same underlying linguistic structure because language is genetically transmitted,¹⁰⁶ dialogism treats linguistic structure differently. Dialogism does not deny that there are shared linguistic structures. Structure enables humans to understand each other. Bakhtin sees current linguistic structure, such as grammar, as determined by both human biology and other contextual determinants, and as something that changes over time due to context. Several alternative meanings of utterances are therefore possible.¹⁰⁷

The emphasis on context and its role in meaning-making implies that there is no single interpretation of a text. I do not assume to produce the 'true' meaning of development in Indian Economics. It also means that I need to characterise and identify various discourses and theorise how meaning-making occurs in society (hence the theory of dialogism and its various concepts to be laid out below). Finally, it requires a method to systematically analyse the interplay between different discourses and their context.

¹⁰² Bakhtin, *The Dialogic Imagination: Four Essays*, 68, 263, 279–80. The theory of dialogism emerged in the second quarter of the 20th century from a group of Russian philosophers, including Bakhtin, Valentin Voloshinov and Pavel Medvedev.

¹⁰³ Bakhtin, *Problems of Dostoevskys Poetics*, 293; Bakhtin, *Speech Genres and Other Late Essays*, 426; Valbona Muzaka, "A Dialogic Approach to Understanding Regime Conflicts: The Case of the Development Agenda," *Third World Quarterly* 38, no. 1 (2017): 61–83.

¹⁰⁴ Bakhtin, *Problems of Dostoevskys Poetics*, 293; Bakhtin, *The Dialogic Imagination: Four Essays*, 246, 433; Muzaka, "A Dialogic Approach to Understanding Regime Conflicts: The Case of the Development Agenda."

¹⁰⁵ Bakhtin, *Speech Genres and Other Late Essays*, 81, 91.

¹⁰⁶ de Saussure et al., *Course in General Linguistics*; Noam Chomsky, *Knowledge of Language: Its Nature, Origin, and Use*, ed. Ruth Nanda Anshen (Connecticut: Praeger, 1986). For more information, see John Lyons, *Noam Chomsky* (Harmondsworth: Penguin, 1978), 4–8; James McGilvray, *Chomsky: Language, Mind, Politics* (Cambridge: Polity Press, 2014), 2–3.

¹⁰⁷ Voloshinov, *Freudianism: A Marxist Critique*, 88. For a discussion on ideology, see Voloshinov, *Marxism and the Philosophy of Language*, 9–15; Muzaka, "A Dialogic Approach to Understanding Regime Conflicts: The Case of the Development Agenda," 67.

Utterances are ideological processes. For Bakhtin, “any utterance is an ideological construct in the small,”¹⁰⁸ because utterances are discursive practices that produce meanings and values, “attempting to create and fix a particular meaning.”¹⁰⁹ Shared or common principles and norms exist thanks to the success of one group in setting a preferred meaning or ideology as commonsensical and universal.¹¹⁰ Nevertheless, every person can utter words with particular meaning that challenges the common worldview. In other words, while certain discourses will dominate everyday dialogue, their meanings are constantly changing, even if in subtle and incremental ways. I return to the issue below when I discuss the difference between authoritative and internally persuasive discourses, and the general tendency of meaning-making in language to have momentarily fixed dominant worldviews or discourses. Finally, utterances are not internally logical or rational. Utterances can manifest themselves in unpredictable and arbitrary ways.¹¹¹

Dialogism offers several useful concepts that help characterise more precisely how context determines utterances and how different utterances produce shared meaning in society. Context can determine utterances through assimilation, orientation, heteroglossia, addressability, answerability, and both authoritative and internally persuasive discourses. Finally, how interlocutors produce shared meaning through utterances suggests that utterances can be characterised by speech genres that create temporarily stable meanings and worldviews. As noted above, shared meanings are nevertheless constantly contested and sometimes destabilised. I expand on each point below.

Interlocutors utter words formed through the assimilation of other utterances.¹¹² As a result, new perspectives are incorporated into language when interlocutors selectively assimilate

¹⁰⁸ Voloshinov, *Freudianism: A Marxist Critique*, 88; Voloshinov, *Marxism and the Philosophy of Language*, 9–15. Many argue that Bakhtin wrote this book, although Voloshinov is the listed author (Holquist, *Dialogism: Bakhtin and His World*).

¹⁰⁹ Muzaka, “A Dialogic Approach to Understanding Regime Conflicts: The Case of the Development Agenda,” 67.

¹¹⁰ *Ibid.*, 68.

¹¹¹ Holquist, *Dialogism: Bakhtin and His World*; Muzaka, “A Dialogic Approach to Understanding Regime Conflicts: The Case of the Development Agenda,” 65; Allan Luke, “Text and Discourse in Education: An Introduction to Critical Discourse Analysis,” *Review of Research in Education* 21, no. 1 (1995): 3–48; Allan Luke, “The Material Effects of the Word: Apologies, ‘Stolen Children’ and Public Discourse,” *Discourse Studies in the Cultural Politics of Education* 18, no. 3 (1997): 343–68; Allan Luke, “Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis,” *Annual Review of Applied Linguistics* 22 (2002): 96–110.

¹¹² Bakhtin, *Problems of Dostoevskys Poetics*, 433.

others' perspectives. Interlocutors situate themselves in relations to other utterances, which occurs as a process of self-actualisation.¹¹³ In Bakhtin's own words:

*This is why the unique speech experience of each individual is shaped and developed in continuous and constant interaction with others' individual utterances. This experience can be characterized to some degree as the process of assimilation – more or less creative – of others' words (and not the words of a language). Our speech, that is, all our utterances (including our creative works), is filled with others' words, varying degrees of otherness or varying degrees of “our-own-ness.” [...] These words of others carry with them their own expression, their own evaluative tone, which we assimilate, rework, and re-accentuate.*¹¹⁴

Meaning is therefore created through the assimilation of various utterances to which the interlocutors are exposed. Utterances and discourses are, in other words, multidiscursive. The Indian Economists assimilated discourses from various sources. First, they were taught at the British imperial universities. Second, they were exposed to British intellectual debates – especially Naoroji and Dutt who worked in Britain. Finally, they were aware of European and American intellectual development debates coming from thinkers such as the Mills, Thomas Malthus, List and Henry C. Carey, among others, as well as discussions in India. Bakhtin's concept of assimilation helps me understand that meaning is constructed through other interlocutors' utterances within specific contexts.¹¹⁵

However, while there are “varying degrees of otherness,” there are also “varying degrees of our-own-ness” in each utterance.¹¹⁶ The mechanism of “our-own-ness” is understood through Bakhtin's concept of orientation and my method's concept of discursive resources – see table 1 below. Bakhtin's idea of orientation explains that interlocutors choose particular words, phrases and worldviews depending on their own context. People choose certain words with certain meanings to them to describe the world in their specific context based on past dialogue, discursive practices and meaning that they have accumulated and experienced.¹¹⁷ A large web of meanings and ideological implications is continuously generated.

While orientation supposes that each interlocutor produces his or her own web of meanings, heteroglossia builds on the concept of assimilation to explain how each utterance is a combination of several discourses (others' speech, others' words, appropriated expressions) that are necessarily polyphonic (many views, styles, references and assumptions not the speaker's

¹¹³ Ibid., 340.

¹¹⁴ Bakhtin, *Speech Genres and Other Late Essays*, 89.

¹¹⁵ Ibid., 122.

¹¹⁶ Ibid., 89.

¹¹⁷ Bakhtin, *Speech Genres and Other Late Essays*, 68–69; Bakhtin, *Problems of Dostoevsky's Poetics*, 279–80, 282.

own).¹¹⁸ Heteroglossia suggests that context determines the meaning of utterances, where context includes each interlocutors' orientation, history of assimilation and concrete context. The concept of heteroglossia can also be labelled intertextuality and intersubjectivity.¹¹⁹ Bakhtin proposes that language is not a closed system, and that there is no infinitely stable unified language – as opposed to Saussure's theory. Context determines meanings, not the words themselves.¹²⁰ Nevertheless, Bakhtin observes that language can become monologic when a particular discourse, meaning or world-view becomes *momentarily* stable, but this state cannot continue forever. Eventually a dominant discourse is defeated by another discourse.¹²¹ I return below to the tendency of language to become monologic and the simultaneous possibility that shared meaning or dominant ways of knowing can be destabilised.

The next two concepts necessary to understand dialogism is answerability and addressivity. An utterance is addressed to someone and can generate a response.¹²² Addressivity dictates that utterances will take into account whom is being addressed.¹²³ In my case, the Indian Economists were conscious of their audiences and they will have chosen similar words to those used by British officials so as to be understood by them. Additionally, interlocutors will try to anticipate the following utterance – what Bakhtin labels answerability. The Indian Economists will have anticipated the responses of the British. In sum, the theory of dialogism assumes that there is a constant interaction between different utterances, which create meaning dependent on whom is being addressed and the anticipated response.

The success of assimilating different discourses (i.e. the acceptance and uptake of a particular discourse) is dependent on the relative perception or position of a certain discourse and interlocutor. Thus far I have established that discursive practices are determined by assimilation, interlocutors' orientation, heteroglossia as well as addressivity and answerability. All utterances are determined by a complex process of assimilation and contextual meaning-making. Yet, a discourse can be more or less easily accepted or assimilated by interlocutors. According to Bakhtin, the relative ease of a discourse's acceptance depends on whether it is authoritative or internally persuasive.¹²⁴ Authoritative discourses are uttered by interlocutors of certain (relatively superior, dominant or authoritative) societal positions such as parents,

¹¹⁸ Bakhtin, *Speech Genres and Other Late Essays*, 170; Bakhtin, *Problems of Dostoevskys Poetics*, 7, 291, 294, 301, 354, 428.

¹¹⁹ See table 1 below for further explanation.

¹²⁰ Holquist, *Dialogism: Bakhtin and His World*; de Saussure et al., *Course in General Linguistics*.

¹²¹ Bakhtin, *The Dialogic Imagination: Four Essays*, 61, 68, 270–72, 346, 370.

¹²² Bakhtin, *Speech Genres and Other Late Essays*, 68, 95.

¹²³ Voloshinov, *Marxism and the Philosophy of Language*, 85.

¹²⁴ Bakhtin, *The Dialogic Imagination: Four Essays*, 342.

teachers, politicians or institutions, etc. - in my case the British officials are poignant examples. Internally persuasive discourses on the other hand are uttered by interlocutors with no or little authority – such as the Indian Economists in the international debates on development. Authoritative discourses are rarely questioned and easily accepted into the public sphere, and consequently widely disseminated. These discourses are often projected as objects, in the sense that they are uttered and re-uttered with little or no critique. Authoritative discourse becomes commonsensical or what we often refer to as public opinion and norms.

In contrast, internally persuasive discourses are rarely accepted by the majority and endure constant critique.¹²⁵ They are intrinsically tied to individual interlocutors and their context, and are continually questioned, re-accentuated and will ultimately change more easily than the authoritative discourses. Bakhtin theorises that there is a constant struggle between these types of discourses within each individual's ideological consciousness.¹²⁶ Dialogism helps me to understand the self-actualisation and dialogue taking place within each Indian Economist exposed to both authoritative discourse (e.g. Smith's *Wealth of Nations*, List's *National Political Economy* and Henry Maine's theory of civilisation) and internally persuasive discourses (i.e. each Indian Economist had a complex web of meanings constructed from their context and experiences). The distinction between these two types of discourses especially helps to understand the persistence of dominant discourses within Indian Economics, despite its stated intention to move away from such dominant theories and norms.

Bakhtin's theory of dialogism attempts to categorise and identify stable types of utterances and discourses, which Bakhtin labels speech genres.¹²⁷ Speech genres are stable discourses that have similar structures and interlocutors, and within which interlocutors have to abide to certain rules. The theory categorises language into different speech genres that include journalistic styles, regional dialects and ideological systems.¹²⁸ Speech genres explain the constraining nature of discourse and in turn helps us understand the recurrence of certain discursive practices. The constraint is often imposed by the common audience of each speech genre.¹²⁹ The structure of utterances within a speech genre is determined by addressivity.¹³⁰ I consider the idea of development to be a specific speech genre, which would have constrained Indian Economics to certain words, discourses and discursive structures already in place. The

¹²⁵ Ibid.

¹²⁶ Ibid.

¹²⁷ I am referring to Bakhtin's 'secondary speech genres.'

¹²⁸ Bakhtin, *Speech Genres and Other Late Essays*, 95.

¹²⁹ Ibid.

¹³⁰ Voloshinov, *Marxism and the Philosophy of Language*, 86.

idea of development, like other speech genres, embeds particular social values, worldviews and intentionalities, and space-time reference points (chronotypes).¹³¹

What is more, speech genres occur at the intersection between language and history, because they form shared meanings of certain utterances in reaction to concrete experiences. Speech genres, such as development, include both old and new discursive practices, and different social and ideological forces. New relations between various speech genres in other contexts produce novel discourses or give different meanings to old forms.¹³² Development discourse in late 19th century India, which included multiple discursive practices from all over the world, is one example of such discursive innovation.

Meanings are not infinitely stable.¹³³ As mentioned, dialogism rejects the existence of a closed and unified language.¹³⁴ Rather, the interplay between context and multiple discourses produce new realities and ways of seeing.¹³⁵ Bakhtin found two opposing tendencies of language: a centralising tendency to construct one unitary language and a centrifugal tendency that diversifies language.¹³⁶ The former means that a dominant discourse or worldview can appear commonsensical, unitary, standard and fixed, but the latter supports that dominant discourse can still be overthrown by other discourses.

I use Bakhtin's two tendencies of language to understand how and why Indian Economics adopted the British (and European) meanings of development, despite the Indian Economists' stated aim to produce distinct Indian economic thinking. Bakhtin theorised that societal groups will want to make signs, ideologies or discourses to reflect their particular worldview.¹³⁷ He describes a struggle of value judgements and norms that can result in a single ideology. Interlocutors and their discourse aim to stabilise the dialogical character of language and heteroglossia, reproducing the same "truth" every day.¹³⁸ For example, the development discourse that originated in early 19th century Europe has obtained a dominant position in global development discourse. Indian Economics' attempt then to critique the dominant development discourse was difficult. To some degree, Indian Economics' marginal discourse inadvertently

¹³¹ Bakhtin, *Speech Genres and Other Late Essays*, 69.

¹³² Bakhtin, *Speech Genres and Other Late Essays*.

¹³³ Ibid., 170.

¹³⁴ Bakhtin, *The Dialogic Imagination: Four Essays*, 68, 263, 279–80.

¹³⁵ Ibid., 71.

¹³⁶ Ibid., 67, 82, 270–74, 368, 376, 382, 425. See also Muzaka, "A Dialogic Approach to Understanding Regime Conflicts: The Case of the Development Agenda," 65.

¹³⁷ Voloshinov, *Marxism and the Philosophy of Language*, 23.

¹³⁸ Ibid., 23–24.

reproduces, and becomes “captive” of, the dominant discourse.¹³⁹ Thus, certain aspects of the dominant development discourse are dis/re-articulated rather than completely overhauled.¹⁴⁰ In short, dialogism helps me understand the difficulty of making radical breaks with dominant discourse and why internally persuasive or marginal discourses might actually legitimise dominant discourse.

Methodology: Positive Discourse Analysis (PDA)

My theoretical framework outlined above allows me to theorise how meaning-making was created in Indian Economics. My chosen method, PDA, offers me the necessary tools to identify and deconstruct the dominant speech genre and discourse, and in turn expose the marginal discursive practices contained within the idea of development in Indian Economics.

PDA is a strand of the (better-known) method, CDA. CDA is a method used to study the impact of texts in the world by bringing together social theory and textual analysis.¹⁴¹ CDA attempts to inform text analysis with broader social theory, because understanding what texts do in the world cannot be explained solely through text analysis.¹⁴² Social theory is an analytical framework or paradigm used to examine social phenomena. It theorises how societies change and develop, identifies practices that explain social behaviour, power and social structure, modernity, civilisation.¹⁴³ The essential goal of social theory is how power plays out via institutions, linguistic traditions, texts, cultures and forms of selfhood. We can understand the complex unequal discursive space by considering meaning-making as dialogic (through concepts such as assimilation, orientation, heteroglossia, etc.) and by identifying the different positions of discursive agents and their discursive practices within specific speech genres and discourses. My chosen social theory, dialogism, therefore informs my research strategy directed by my method, PDA.

¹³⁹ Muzaka, “A Dialogic Approach to Understanding Regime Conflicts: The Case of the Development Agenda,” 63; Charles Tilly, *Big Structures, Large Processes, Huge Comparisons* (New York: Russell Sage Foundation, 1984).

¹⁴⁰ Muzaka, “A Dialogic Approach to Understanding Regime Conflicts: The Case of the Development Agenda,” 63; Tilly, *Big Structures, Large Processes, Huge Comparisons*.

¹⁴¹ Vijay Bhatia, John Flowerdew, and Rodney Jones, *Advances in Discourse Studies* (London: Routledge, 2008), 195; Rebecca Rogers et al., “Critical Discourse Analysis in Education: A Review of the Literature,” *Review of Educational Research* 75, no. 3 (2005): 1193.

¹⁴² Luke, “Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis,” 102; Alastair Pennycook, *Critical Applied Linguistics: A Critical Introduction* (Mahwah, New Jersey: Lawrence Erlbaum Associates, 2001).

¹⁴³ Austin Harrington, ed., *Modern Social Theory: An Introduction* (Oxford: Oxford University Press, 2005), 1.

CDA, as well as PDA, is a critical reading of the place and force of language, discourse and text and how it changes social, economic and cultural conditions.¹⁴⁴ The method is not a formalised corpus of analytical and methodological techniques. CDA grew out of critical linguistics in the 1970s.¹⁴⁵ Norman Fairclough first coined CDA in his 1989 book, *Language and Power*. However, the central concepts of CDA such as power, ideology and discourse came before from thinkers such as Theodor Adorno, Max Horkheimer, Bakhtin, Foucault and Julia Kristeva.¹⁴⁶ The method has now acquired its own acronym and a “degree of stability, canonicity, and, indeed, conventionality.”¹⁴⁷ If there is a generalisable approach in CDA, then it is the analytic movement between text and context. CDA sets out to explore the dynamic relationship between discourse and society, between the micropolitics and macropolitical arena of ideological forces and power relations.¹⁴⁸ In sum, CDA explores how language and discourse interacts with and imposes itself on social, economic and cultural conditions.

Although CDA has grown into a more or less defined approach, its practitioners do not see it as a unitary and homogenous toolkit. There are several strands of CDA, including the initial 1980s British approaches by Fairclough and Fowler, further developed in Chouliaraki and Fairclough; the ‘sociocognitive model’ theorised by Teun van Dijk and his circle; the Viennese ‘discourse historical school’ led by Ruth Wodak; a French school practised by the likes of Michel Pecheux and influenced primarily by Louis Althusser¹⁴⁹ and to a lesser degree Bakhtin; a

¹⁴⁴ Luke, “Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis,” 97; Luke, “The Material Effects of the Word: Apologies, ‘Stolen Children’ and Public Discourse”; Teun A. Van Dijk, “Principles of Critical Discourse Analysis,” *Discourse and Society* 4, no. 2 (1993): 249–83; Ruth Breeze, “Critical Discourse Analysis and Its Critics,” *Pragmatics. Quarterly Publication of the International Pragmatics Association (IPrA)* 21, no. 4 (2011): 493–525; Rogers et al., “Critical Discourse Analysis in Education: A Review of the Literature.”

¹⁴⁵ Two books were particularly influential in the development of the method: Roger Fowler et al., *Language and Social Control* (London: Routledge, 1979); Gunther Kress and Robert Hodge, *Language and Ideology* (London: Routledge & Kegan Paul, 1979).

¹⁴⁶ Rogers et al., “Critical Discourse Analysis in Education: A Review of the Literature,” 1193.

¹⁴⁷ Luke, “Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis,” 99. See also Breeze, “Critical Discourse Analysis and Its Critics,” 493; Rogers et al., “Critical Discourse Analysis in Education: A Review of the Literature.”

¹⁴⁸ Luke, “Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis,” 100.

¹⁴⁹ Althusser (1918-1990) was a French Marxist philosopher.

Duisburg school; and finally a more recent strand called PDA¹⁵⁰ also informed by Bakhtin.¹⁵¹ While the earlier strands focused on how powerful groups control public or dominant discourse and its social consequences on our world,¹⁵² PDA focuses on how marginalised groups discursively challenge or resist the control of powerful groups. The main difference between the French school and PDA, which are both influenced by Bakhtin, regards the textual analysis. The French school uses a large corpus with automated analysis. The method relies on software to do quantifiable lexical analyses. PDA, in contrast, adopts qualitative analyses, which, I argue, is more compatible with Bakhtin's ontology in dialogism. The members of the positive strand have called for focusing on marginal and counter- discourses, as well reinterpretations of mainstream or dominant discourses.¹⁵³

¹⁵⁰ First coined in James Martin, "Positive Discourse Analysis: Solidarity and Change," *Revista Canaria de Estudios Ingleses* 49, no. 1 (2004): 179–202.

Practitioners of Positive Discourse Analysis include Rebecca Rogers and Melissa Mosley Wetzell, "Studying Agency in Literacy Teacher Education: A Layered Approach to Positive Discourse Analysis," *Critical Inquiry in Language Studies* 10, no. 1 (2013): 62–92; Luke, "Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis"; Allan Luke, "Notes on the Future of Critical Discourse Studies," *Critical Discourse Studies* 1, no. 1 (April 2004): 149–57; Tom Bartlett, *Hybrid Voices and Collaborative Change: Contextualising Positive Discourse Analysis*, vol. 4 (London: Routledge, 2012).

¹⁵¹ Norman Fairclough, "Critical and Descriptive Goals in Discourse Analysis," *Journal of Pragmatics* 9, no. 6 (1985): 739–63; Norman Fairclough, *Language and Power* (London and New York: Longman, 1989); Roger Fowler, *Language in the News: Language and Ideology in the Press* (London: Routledge, 1991); Lilie Chouliaraki and Norman Fairclough, *Discourse in Late Modernity: Rethinking Critical Discourse Analysis* (Edinburgh: Edinburgh University Press, 1999); Teun A. van Dijk, *Racism and the Press: Critical Studies in Racism and Migration* (London and New York: Routledge, 1991); and R. Mitten Wodak, Ruth, J. Pelikan, P. Nowak, H. Gruber, R. de Cillia, *Wir Sind Alle Unschuldige Tater! Diskurshistorische Studien Zum Nachkriegsantisemitismus* (Frankfurt am Main: Suhrkamp, 1990); Ruth Wodak, *Disorders of Discourse* (London: Longman, 1996); Ruth Wodak, "Pragmatics and Critical Discourse Analysis: A Cross-Disciplinary Inquiry," *Pragmatics & Cognition* 15, no. 1 (May 15, 2007): 203–25; Michel Pecheux, *Language, Semantics and Ideology*, trans. Harbans Nagpal, vol. 8 (New York: St. Martin's Press, 1982); Siegfried Jäger, "Kritische Diskursanalyse: Eine Einführung" (Duisburger Institut für Sprach- und Sozialforschung, 1993).

¹⁵² See for example van Dijk's chapter on "Critical Discourse Analysis" in the *Handbook of Discourse Analysis* where he explicitly leaves out any discussion on how marginal groups can resist control of power (Teun A. Van Dijk, "Critical Discourse Analysis," in *The Handbook of Discourse Analysis*, ed. Deborah Schiffrin, Deborah Tannen, and Heidi E. Hamilton (Oxford: Blackwell Publishers, 2001), 354.). Additionally, Rogers et al. conclude their literature review of studies using CDA that "most of the analyses focused on the ways in which power is reproduced rather than on how it is changed, resisted, and transformed toward liberatory ends" (Rogers et al., "Critical Discourse Analysis in Education: A Review of the Literature," 383.).

¹⁵³ Luke, "Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis."

PDA focuses on marginalised interlocutors who attempt to overcome the oppressive nature of their superiors while trying to suggest and construct a more equal worldview.¹⁵⁴ As Luke, one member of the school, asserts:

*We need more research and scholarship that documents and analytically explicates analyses that focus on affirmative, emancipating and redressive texts and discourse practices turning our attention to instances where discourse appears to lead systematically to the redistribution of wealth and power.*¹⁵⁵

The aim of CDA has generally been to transform and empower the oppressed by deconstructing often hidden oppressive dominant discourse.¹⁵⁶ While it is necessary for my analysis to identify the dominant development discourse, inevitably present in my primary material, I expose the dominant discourse in order to uncover my protagonists' discursive innovation, all be it at the margins of dominant discourse. I attempt to move beyond what Luke describes as a focus on ideological critique and towards 'other' forms of text and discourse (such as emancipatory, local, marginal etc.) that would explore the productive use of power.¹⁵⁷ CDA generally deconstructs dominant discourse, while PDA aims to reconstruct marginal discourse.

PDA is then the ideal method because it allows me to reconstruct the idea of development within a marginal discourse. Indian Economics was, both at its inception and throughout the 20th century, considered a set of marginal economic theories and ideas often dismissed because of its lack of originality. It was generally thought that Indian Economics had merely imitated several dominant schools of thought from Europe and America. PDA enables the present thesis to question that dismissal and uncover discursive ingenuity at the margins of the dominant idea of development.

Previous studies in the history of political economy, economic or political thought have yet to use the mix of dialogism and PDA as a means to reconstruct marginal discourses. As far as I know, there is one minor exception in Goswami's social and cultural history of Indian economic nationalism at the turn of the 20th century, which employs Bakhtin's concept of chronotype,¹⁵⁸ although not discourse analysis. CDA, as well as PDA, has largely been applied in

¹⁵⁴ Breeze, "Critical Discourse Analysis and Its Critics," 516–17; Luke, "Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis"; Martin, "Positive Discourse Analysis: Solidarity and Change"; Fairclough, *Language and Power*.

¹⁵⁵ Luke, "Notes on the Future of Critical Discourse Studies," xi. See also Rogers et al., "Critical Discourse Analysis in Education: A Review of the Literature," 383.

¹⁵⁶ See Carmen Rosa Caldas-Coulthard and Malcolm Coulthard, eds., *Texts and Practices: Readings in Critical Discourse Analysis* (London and New York: Routledge, 1996), ix.

¹⁵⁷ Luke, "Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis," 98.

¹⁵⁸ A concept that sees utterances and worldviews as products of specific historical time periods and geographical locations.

the disciplines of management, international relations, education, linguistics and sociology.¹⁵⁹ The studies that I refer to below when laying out the specific components of my method are therefore necessarily multidisciplinary. I argue that applying such a novel method to the history of political economy sheds new light on Indian Economics' idea of development and more generally how PDA can assign agency to, and in turn expose discursive innovation in, under-researched marginal discourses.

PDA questions the idea that dominant discourse denies any discursive space for marginal discourses to emerge and innovate. CDA seems to ignore discourses that belong to marginal groups, because all discourses are seen as ideological for the dominant classes' gains.¹⁶⁰ Dialogism does not: Bakhtin observed both centripetal forces on the part of dominant discourse attempting to produce a unitary and standard worldview, and centrifugal forces from marginal discourses that try to dethrone or destabilise the dominant worldview with other equally plausible discursive practices.¹⁶¹ Neither does PDA: Luke refers to what Paulo Freire¹⁶² and his colleagues label "emancipatory discourses," which are "forms of talk, writing, and representation that are counter-ideological and act to articulate and configure collective interests in transformative ways."¹⁶³ Dialogism and PDA leave room for marginal discourse to discursively innovate.

In sum, Luke's PDA enables me to both analytically deconstruct positive and productive configurations of power and knowledge in discourse, and identify and document modes of marginal discourse. PDA can identify marginal discourse, despite the tendency for marginal discourses to be dwarfed by dominant discourses and for speech genres to be stable, because it explores the instances in which genres and discourses are "blurred and mixed to create hybrid texts."¹⁶⁴ Discursive innovation depends on the interaction of several different discourses and genres, especially the dominant kind, because readers and listeners of such hybrid speech and

¹⁵⁹ See for example Shirley Leitch and Ian Palmer, "Analysing Texts in Context: Current Practices and New Protocols for Critical Discourse Analysis in Organization Studies," *Journal of Management Studies* 47, no. 6 (2010): 1194–1212; Rogers et al., "Critical Discourse Analysis in Education: A Review of the Literature"; Muzaka, "A Dialogic Approach to Understanding Regime Conflicts: The Case of the Development Agenda."

¹⁶⁰ A concern raised by Bakhtin and his circle, and Luke (Luke, "Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis," 105.).

¹⁶¹ Bakhtin, *The Dialogic Imagination: Four Essays*, 272–73; Bakhtin, *Problems of Dostoevskys Poetics*, 100.

¹⁶² Paulo Freire and Donalddo Macedo, *Literacy: Reading the Word & the World* (South Hadley, MA: Bergin & Garvey, 1987).

¹⁶³ Luke, "Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis," 105.

¹⁶⁴ Luke, "Text and Discourse in Education: An Introduction to Critical Discourse Analysis," 16. See also *Ibid.*, 39; Luke, "The Material Effects of the Word: Apologies, 'Stolen Children' and Public Discourse," 343–44, 348.

texts need conventional genres and common ideas to grasp the meaning. New discursive practices often appear as re/dis-articulations of dominant discourse and occur at the margins of dominant discourse.¹⁶⁵

What then does PDA entail? Firstly, as PDA brings together social theory with textual analysis, I shall outline how dialogism, my chosen social theory, is compatible with Luke's PDA – also theoretically founded on Bakhtin's work. Secondly, PDA requires a contextual analysis because it sees meaning-making as constructed within its context. I shall thus outline which contexts I need to analyse. Finally, I will discuss the particular issues and components related to the textual analysis, namely the selection and handling of texts, the narrative structure, rhetorical devices, and how I identify and analyse what is left out of the text.

Luke's PDA is compatible with the theory of dialogism because it treats discursive practices and what they do in society in similar ways. I illustrate the compatibility in table 1 below. To both Bakhtin and Luke, texts are language in use reflecting the production of meaning and social relations; discourses are a recurring chain of utterances, statements and wordings across texts that are inherently ideological; all texts are made up of various worldviews; interlocutors have their own discursive resources due to their context; the meaning of a text is ultimately produced in its particular context; each utterance is based on whom it is addressing and the anticipated response; and speech genres, while dynamic and changeable, have similar structures, addressees, intentions and worldviews that have momentarily stabilised.

Furthermore, texts do not have equal effects on the world – authoritative and dominant discourses have much more discursive space to exert power, and change meaning or ways of seeing than internally persuasive and minority or marginal discourses. While Luke uses the term minority to denote marginalised discourses, I have chosen to use marginal. Indian Economics is not generally overlooked because there only had a few individuals or published a small number of texts – i.e. Indian Economics is not part of a minority because of its size. In the end, Indian Economics and its idea of development is marginalised primarily due to the interlocutors' imperial context. For the specific labels of these concepts in both Bakhtin's and Luke's works see table 1 below.

¹⁶⁵ See e.g. Muzaka, "A Dialogic Approach to Understanding Regime Conflicts: The Case of the Development Agenda"; Tilly, *Big Structures, Large Processes, Huge Comparisons*. Homi Bhabha describes this process as a mutation of dominant discourses and genres (Homi Bhabha, "Unpacking My Library Again," *Midwest Modern Language Association* 28, no. 1 (1995): 5–18.).

Table 1: Dialogism's compatibility with Positive Discourse Analysis

Concepts within Dialogism	Concepts within Positive Discourse Analysis (PDA)	Definition/Explanation
Text		Language in use, reflecting the production of meaning and social relations. ¹⁶⁶
Discourse		A recurring chain of utterances, statements and wordings across texts. Discourses are ideological processes. ¹⁶⁷
Assimilation	Multidiscursive	All texts are made up of various discourses, worldviews, ways of seeing, voices, etc. ¹⁶⁸
Orientation	Discursive resources	Each interlocutor has his/her own discursive experiences that form his/her available set of discursive practices. ¹⁶⁹
Heteroglossia	Intertextuality Intersubjectivity ¹⁷⁰	The meaning of a text does not reside in the text but is produced by its readers in relation to both the text in question and a complex web of other texts invoked while reading it. ¹⁷¹
Addressivity / Answerability ¹⁷²		Each text involves writers and readers, speakers and listeners. ¹⁷³

¹⁶⁶ Voloshinov, *Marxism and the Philosophy of Language*; Luke, "Text and Discourse in Education: An Introduction to Critical Discourse Analysis," 13.

¹⁶⁷ Voloshinov, *Marxism and the Philosophy of Language*; Voloshinov, *Freudianism: A Marxist Critique*, 88; Luke, "Text and Discourse in Education: An Introduction to Critical Discourse Analysis," 15.

¹⁶⁸ Bakhtin, *The Dialogic Imagination: Four Essays*, 433; Luke, "Text and Discourse in Education: An Introduction to Critical Discourse Analysis," 15.

¹⁶⁹ Bakhtin, *Speech Genres and Other Late Essays*, 68–69; Bakhtin, *The Dialogic Imagination: Four Essays*, 279–80; Luke, "Text and Discourse in Education: An Introduction to Critical Discourse Analysis," 14–15. The concept of discursive resources originally comes from Gunther Kress's concept "discursive resources" and Mary Kalantzis's concept "repertoires of practice," which attempt to capture the range of intertextual and discursive practices that people (students in their study) use in their communication (Courtney Cazden et al., "A Pedagogy of Multiliteracies: Designing Social Futures," *Harvard Educational Review* 66, no. 1 (1996): 60–93.).

¹⁷⁰ Kristeva argued that intertextuality replaced intersubjectivity, because the former deals with relations between texts and the latter deals with relations between humans, and because texts are written by humans in an attempt to interact with different discourses proposed by various humans (Julia Kristeva, *Desire in Language Approach to Literature and Art*, ed. Leon S. Roudiez, trans. Thomas Gora and Alice A. Jardine (New York: Columbia University Press, 1980).). In other words, while intersubjectivity deals with humans, intertextuality deals with texts, but both involve the same subjects, humans or interlocutors.

¹⁷¹ Bakhtin, *The Dialogic Imagination: Four Essays*, 7, 301, 354, 428; Luke, "Text and Discourse in Education: An Introduction to Critical Discourse Analysis," 13.

Kristeva was the first to coin the term intertextuality, and the first to replace heteroglossia with intertextuality (Kristeva, *Desire in Language Approach to Literature and Art*.), see also Meeta Chatterjee-Padmanabhan, "Bakhtin's Theory of Heteroglossia/Intertextuality in Teaching Academic Writing in Higher Education," *Journal of Academic Language and Learning* 8, no. 3 (2014): A101–12.

¹⁷² I adopt only Bakhtin's concepts of addressivity and answerability here because Luke's PDA has not explicitly labelled these two concepts differently in his texts.

¹⁷³ Bakhtin, *Speech Genres and Other Late Essays*, 68, 95; Voloshinov, *Marxism and the Philosophy of Language*, 85; Luke, "Text and Discourse in Education: An Introduction to Critical Discourse Analysis," 13.

Authoritative discourse	Dominant discourse	These discourses and texts have the ability to produce societal norms and common sense. ¹⁷⁴
Internally persuasive discourse	Minority / emancipatory discourse	These discourses and texts cannot produce societal norms and common sense. ¹⁷⁵
Speech genre	Genre	Momentarily stabilised forms of discourses that are, to an extent, predictable and regular, reflecting similar institutional sites, goals and standardised forms of discursive practices. ¹⁷⁶

Luke's PDA is an attempt at a normative political linguistics, which he traces from Bakhtin and his circle. PDA analyses the role of language, especially concentrating on the unequal discursive space that exists within society.¹⁷⁷ Authoritative and dominant discourses will intentionally, and often successfully, exert power in society by fixing its worldview as truth and universal – e.g. India is backward, regressive and therefore needs a foreign ruler. To make sense of the use of discourse to exert power, I need to sufficiently theorise power, political relations, material and historical change, and the social institutions in question;¹⁷⁸ – capturing how “discourse does ideological work.”¹⁷⁹ Bakhtin theorises power through the hierarchical structure of discourse (i.e. authoritative and internally persuasive discourses) and the centrifugal tendencies of language, which is similar to Luke's concept of dominant discourse. Power is also exerted through material actions with real effects – e.g. imperialism can be blamed for causing severe famines in the 19th century. Power appears both in discourse and the material world. Bakhtin and Luke place a lot of importance on context for this reason – I return to how my particular context is defined below.

While dominant discourses can systematically exert power through discursive space and legitimacy to be accepted, uncritiqued and disseminated, I still observes the dual existence of unsystematic and systematic, unpredictable and predictable, and coincidental and intentional discursive practices. I am not using a structuralist approach – like the Frankfurt school of CDA, or neoMarxist cultural studies – which assumes discourse, ideas and ideology to be rationally, systematically and logical coherent.¹⁸⁰ Neither do I assume that there is a logic to any single

¹⁷⁴ Bakhtin, *The Dialogic Imagination: Four Essays*, 342; Luke, “Text and Discourse in Education: An Introduction to Critical Discourse Analysis,” 20.

¹⁷⁵ Bakhtin, *The Dialogic Imagination: Four Essays*, 342; Luke, “Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis,” 105.

¹⁷⁶ Bakhtin, *Speech Genres and Other Late Essays*, 95; Luke, “Text and Discourse in Education: An Introduction to Critical Discourse Analysis,” 15–17.

¹⁷⁷ Luke, “Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis,” 97. See also Breeze, “Critical Discourse Analysis and Its Critics,” 497.

¹⁷⁸ Luke, “Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis,” 101.

¹⁷⁹ Wodak, *Disorders of Discourse*, 17.

¹⁸⁰ See Luke, “Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis,” 104.

phenomenon or concept whether it be capital, property rights, progress, regress or development. I do not presuppose structure, coherence, intention or systematicity. As Luke points out, this marks a shift from focusing on central and dominant production of discourse to the “unpredictable lateral and recursive traverse of discourse across institutions and social fields, and the idiosyncrasy and unpredictability of the local exchange and uptake of discourse.”¹⁸¹ Indian Economics in the late 19th century was marginalised in a particular imperial context, which, as heteroglossia and intertextuality assume, will need to be understood and analysed in order to unravel what meaning Indian Economics produced. Similar to the anti-structuralist Foucauldian and post-Marxist tradition, my research design captures the Dionysian¹⁸² character of discourse in specific local sites.¹⁸³

The second component to my method is context. Meaning is produced within specific contexts – dependent on interlocutors, time and space. PDA therefore needs a definition of context to avoid the more individualistic and depoliticised approaches to context in traditional linguistic studies,¹⁸⁴ but also to address the criticism that context is not adequately defined or dealt with in several projects using CDA and therefore PDA.¹⁸⁵ As CDA relies on social theory to understand how text and discourse is affected by and behaves within macro level social relations and institutional power structures, the emphasis is often more on the macro than the micro context.¹⁸⁶ The immediate micro context is therefore commonly ignored,¹⁸⁷ leading to a circular methodology whereby conclusions are simply preconceived claims coming from the social theory upon which the method is based.¹⁸⁸ My method therefore needs to identify and define the relevant contexts for my analysis.

I adopt the broad definition of context used in other studies using CDA and PDA: context refers to the involved participants, the situation in which the dialogue occurs, and the social

¹⁸¹ Luke, “Text and Discourse in Education: An Introduction to Critical Discourse Analysis”; Luke, “The Material Effects of the Word: Apologies, ‘Stolen Children’ and Public Discourse”; Luke, “Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis,” 104. See also Holquist, *Dialogism: Bakhtin and His World*; Muzaka, “A Dialogic Approach to Understanding Regime Conflicts: The Case of the Development Agenda,” 65.

¹⁸² Relating to the sensual, spontaneous and emotional aspects of human nature.

¹⁸³ Luke, “Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis,” 104.

¹⁸⁴ *Ibid.*, 102.

¹⁸⁵ Breeze, “Critical Discourse Analysis and Its Critics,” 513; Leitch and Palmer, “Analysing Texts in Context: Current Practices and New Protocols for Critical Discourse Analysis in Organization Studies.”

¹⁸⁶ Breeze, “Critical Discourse Analysis and Its Critics,” 513.

¹⁸⁷ Jef Verschueren, *Ideology in Language Use* (Cambridge: Cambridge University Press, 2011).

¹⁸⁸ Jef Verschueren, “Predicaments of Criticism,” *Critique of Anthropology* 21, no. 1 (2001): 60.

relations and structures that impact how participants interpret texts.¹⁸⁹ More precisely, I take Emmanuel Schegloff's view that the only relevant contexts are those that concern the interlocutors, because there is an infinite number of contextual features which cannot all be dealt with.¹⁹⁰ The relevant contexts then can be found by identifying the interlocutors' orientations found in the discourse, helping to move away from researchers imposing their preoccupations onto their research subjects who live in a different context.¹⁹¹

The treatment of context as something that is constructed, dealt with and oriented by the interlocutors themselves dissolves the dominant distinction between the micro and macro analysis.¹⁹² I do not take a social positivist, realist and deterministic approach where social conditions are objective and constraints. That approach assumes that any two interlocutors exposed to the same social conditions would utter the same thing, which is empirically incorrect and contradicts my social theory laid out above.¹⁹³ As a researcher I need to identify the context that is most relevant for my protagonists.¹⁹⁴

Which are the specific contexts that concern my interlocutors? I employ a categorisation of contexts found in a recent survey of studies that use CDA.¹⁹⁵ First, the survey categorised context as space, time, practice, change and process. The following paragraphs and table 2 explain the most relevant contexts to my interlocutors.

¹⁸⁹ Breeze, "Critical Discourse Analysis and Its Critics," 512. For an example of a project with such a definition of context, see Irene Pollach, "Communicating Corporate Ethics on the World Wide Web: A Discourse Analysis of Selected Company Web Sites," *Business and Society* 42 (2003): 281.

¹⁹⁰ Emanuel A. Schegloff, "Whose Text? Whose Context?," *Discourse & Society* 8, no. 2 (1997): 165.

¹⁹¹ Ibid. Yet, that is not to say that I do not bring any of my own biases into the research. PDA and the larger method of CDA all assume that the researcher will ultimately impact the conclusions. Some acknowledgement of reflexivity is thus important.

¹⁹² Jonathan Potter, "Cognition as Context (Whose Cognition?)," *Research on Language and Social Interaction* 31, no. 1 (1998): 21; Breeze, "Critical Discourse Analysis and Its Critics," 516.

¹⁹³ Teun A. van Dijk, *Discourse and Context. A Sociocognitive Approach* (Cambridge, New York: Cambridge University Press, 2008).

¹⁹⁴ As argued by Teun A. van Dijk, "Critical Discourse Analysis and Conversation Analysis," *Discourse and Society* 10, no. 4 (1999): 460.

¹⁹⁵ Leitch and Palmer, "Analysing Texts in Context: Current Practices and New Protocols for Critical Discourse Analysis in Organization Studies."

Table 2: Specific Contexts to be Analysed

Context as:	Subcategory	Explanation and Examples
Space	Intra-textual	Discursive practices need to be placed within their textual context – e.g. Dutt and Naoroji's quotation of a poem's verse were under different chapter headings (in reference to different time periods), which changed the intention and, to some extent, the meaning of the quotation.
	Situational	The meaning of discourse will vary in different genres due to their specific context and discursive practices – e.g. the meaning of the text might vary depending on whether the primary source is a letter, lecture, speech, journal article, newspaper article or book.
	Institutional	The meaning of discourse will differ depending on whether my protagonists are at INC, learned societies, universities or conferences – e.g. my protagonists will address the British officials at INC, while they address primarily Indian audiences at the Social Conferences.
	National	Meaning and discursive practices will differ in the two different national contexts relevant to this thesis, India and Britain – e.g. Dutt seems to speak more openly and forcefully about self-rule in India, whereas Naoroji seems to do the opposite. Additionally, India's socio- political and economic context is different to Britain's, which will further impact the interpretation of the texts – chapter 2 lays this context in India from 1858 to 1905 using secondary literature and referenced to in the following chapters when relevant.
	Multi-spatial	The international, multi-institutional and contextually diverse nature of this thesis ultimately means that several contexts are important – e.g. the academic and policy contexts – this will also be laid out in chapter 2 and referenced to in the following chapters when relevant.
Time	Intertextual	The reference to past texts such as Smith's <i>Wealth of Nations</i> or List's <i>National Political Economy</i> and potential future discourses will impact the meaning of the text.
	Past events	Discursive practices will be determined by reference to past events – e.g. the Indian Mutiny and the late 19 th century famines in India. The major events referred to in the primary material will be discussed in chapter 2 and then referenced in more detail when relevant in the following chapters.
Practice	Socio-cultural-economic-political	The broader socio-cultural-economic-political contexts need to be laid out, e.g. India was culturally, socially and religiously diverse and had competing political structures such as the Princely states versus the imperial British administration because it produced different discursive practices to explain the Indian experience. This will also be laid out first in chapter 2 and then reiterated where relevant in the following chapters.
	Ideological	The broader ideological context of how development ideology is defined and dealt with will affect the meaning of Indian Economics' texts – e.g. intellectual debates on development starting from the early 19 th century in mainly Europe and later America. This will be laid out briefly in the introduction, also in order to distinguish between progress and development, using secondary conceptual histories on the origins of development ideas, and then more specific thinkers will be analysed throughout the thesis when relevant (e.g. when certain scholars are cited in the primary material and when similar discursive practices are found across texts).
Change	Contest	The discursive context within which my protagonists found themselves was inherently competitive and resistant – Indian Economics argued for a different idea of development than the imperial British idea of development in India.

Table 2 lists the relevant contexts, including brief explanations and relevant examples for my thesis. These contexts are relevant for several reasons. Firstly, they include the immediate spatial contexts in which the texts (intertextual) and my protagonists found themselves (situational, institutional, and national). The context is thus multi-spatial. It is worth

mentioning that the spatial contexts will affect meaning and discursive practices in diverse ways. For example, as noted in table 2, while Dutt talks more openly about self-rule in India than in Britain, Naoroji seems to do the opposite. The national context is therefore not a determining contextual feature in this instance. Rather, the institutional and socio-cultural-economic-political contexts seem to have more bearing in these instances. Naoroji surrounded himself with more anti-imperialists in England than Dutt, giving Naoroji the discursive space for forceful critique of imperialism in the English national context. Dutt's role as a civil servant may have made him less able to criticise the imperial administration as Naoroji. The spatial contexts need to be referenced and dealt with on a case by case basis in my analysis.

Secondly, Indian Economics' texts need to be placed in their intertextual context. The intertextual context is citations and similar wordings and statements found in other existing texts both before and after the texts' dates of creation. The latter – after the text's date of creation – is relevant because utterances are determined by past and potential future utterances – encapsulated in addressivity and answerability. The Indian Economists would have deliberately chosen discursive practices familiar to the British (e.g. Ricardo's theory of trade). Yet, Indian Economics was able to pre-empt 20th century dependency theory and the balanced growth policy framework. Both are examples of intertextual contexts.

Thirdly, Indian Economics' texts refer to past events, which determine the meaning of the text. The relevant events are those referred to in the primary material. For instance, Dutt studied the famines in Bengal. Fourthly, the socio-cultural-economic-political and ideological contexts will be important to interpret the texts. These contexts include, for example, the culturally, religiously, socially and politically diverse Indian national context (first laid out in chapter 2) and the development ideology first conceptualised in early 19th century (first laid out in the introduction). The various contexts will be discussed in chapter 2 and then analysed in more detail in the following chapters when relevant.

Finally, the competitive and resistant nature of Indian Economics' discursive context is relevant. Indian Economics was actively – remember that utterances are social acts – resisting and contesting British (and to a lesser extent European and American) worldviews of development. The discursive practices reflect this struggle – sometimes through declared resistances in the texts and sometimes through rhetorical devices (the latter will be discussed below).

To reiterate, these contexts are relevant because they are referred to in my primary material. As mentioned, this follows Schegloff's and Jonathon Potter's view that social

conditions and contexts are constructed by interlocutors and therefore the relevant contexts are those referenced by my protagonists.¹⁹⁶

To conclude my discussion on which contexts to analyse, I add that defining and analysing the relevant context helps both to understand the meaning of discursive practices under analysis and the selection of texts. The reasoning for choosing my three main protagonists, Naoroji, Ranade and Dutt was laid out in the introduction, but will become clearer in chapter 2 where Indian Economics is described and analysed within its institutional, spatial, intertextual, historical (past events subcategory), ideological and socio-cultural-economic-political contexts. The description and analysis of the contexts will naturally become more apparent as they are further laid out in the following chapters in conjunction with the text analysis.

In addition to the social theory and context definition, the third and final component of my method is the textual analysis. The text selection, mentioned briefly above, needs to include a large representative sample.¹⁹⁷ A more detailed discussion on the selection of texts was included in the previous chapter and will be elaborated upon in the last section below. I will briefly note that the focus on three Indian Economists covers a large sample of Indian Economics' texts because these economists were the most prolific writers and interlocutors within the group, covering around half of all the Indian Economics' texts to be found in the archives. The texts associated with these three core the Indian Economists are almost entirely exhaustive. In other words, I analyse all the English texts produced by these Indian Economists – the choice of English texts will be explained below.

The textual analysis needs to take a comparative approach.¹⁹⁸ I compare the discursive practices or ideas in the primary texts. Where it is apparent that one or several of my core Indian Economists disagreed with another Indian Economist, I analyse the relevant Indian Economist and his text. Examples include Wacha and his input on the drain theory,¹⁹⁹ and Iyer's contribution to the debate on the need for Indian economic theory.²⁰⁰ Examining additional Indian Economists outside of my three main protagonists assures, to a greater extent, that a

¹⁹⁶ Schegloff, "Whose Text? Whose Context?"; Potter, "Cognition as Context (Whose Cognition?)."

¹⁹⁷ As argued by Michael Stubbs, "Whorf's Children: Critical Comments on Critical Discourse Analysis (CDA)," *British Studies in Applied Linguistics* 12 (1997): 100–116., see also Breeze, "Critical Discourse Analysis and Its Critics," 502–8.).

¹⁹⁸ Also argued by Stubbs, "Whorf's Children: Critical Comments on Critical Discourse Analysis (CDA)."

¹⁹⁹ In a letter exchange between Wacha and Naoroji in August 1900 (Naoroji, *Dadabhai Naoroji: Selected Private Papers*, 164–165, see also 160.).

²⁰⁰ Iyer, *Some Economic Aspects of British Rule in India*.

majority of discursive practises pertaining to the idea of development in Indian Economics have been included in the thesis.

I also need to identify the particular components of the textual analysis, namely narrative structure, rhetorical devices, and identifying and analysing what is omitted in the texts. The narrative structure refers to the underlying structural framework of the narrative in the text – e.g. what is the protagonist or main stated intention and/or subject.²⁰¹ It includes two concepts that help me identify and analyse the narrative structure of any given text: plot and story. The plot refers to how the story is told and when key conflicts are set up and resolved, attempting to identify the phases of the story.²⁰² The story includes several components – i.e. the key conflicts, main characters or protagonists, and events.²⁰³ The stages of the story (plot) and its components (story) construct the elements, actors and structure of the texts to gain a better understanding of the meaning being produced. For example, in Ranade's lecture on Indian Economics, the protagonist is creating more applicable economic thinking for India. However, how and when in the lecture did he declare this need to create new economic theory? Using plot and story, my analysis can systematically identify that while Ranade declared this need a few times (mainly at the beginning and end), the majority of the lecture is filled with a history of different (European and American) schools of political economy. There is no mention of an Indian tradition of political economy. In sum, the texts are analysed in their entirety by exploring what is included in the narrative and how the narrative is told.

Moreover, my text analysis identifies rhetorical devices in order to explore what meanings and social relations these might reflect. Rhetorical devices are used by the speaker or writer to convey a particular meaning to the listener or reader with the aim to persuade him or her to consider a different perspective or action. There exists many kinds of rhetorical devices.²⁰⁴ The Indian Economists were primarily, from around 1870 to 1905, interested in explaining the real Indian context to British officials so that they would consider their different perspective on

²⁰¹ For an example, see Luke, "The Material Effects of the Word: Apologies, 'Stolen Children' and Public Discourse," 359–62.

²⁰² Ibid., 362.

²⁰³ Ibid.; Luke, "Text and Discourse in Education: An Introduction to Critical Discourse Analysis," 22.

²⁰⁴ Rhetorical devices include (but are not limited to): antanagoge (places a criticism and complement together to lessen the impact); metaphor (compares two things by stating one as the other); analogy (compares two different things that have similar characteristics); simile (says something is like something else); repetition (repeating words, wordings and statements to emphasise particular important issues); allusion (a reference to an event, literary work or person); amplification (adding more information to a statement to increase its worth or understandability); parallelism (uses words or phrases with similar structure); rhetorical symmetrisation (putting two things in the same location when they are not in reality).

the Indian economy. The context was therefore one of competitiveness and resistance to the existing imperial policies. The Indian Economists contested the current system which was, according to them, impoverishing India. They would have been particularly prone to use antanagoge, which places a criticism and complement together to lessen the impact. Antanagoge can be found in a large majority of the primary material where the Indian Economists point out how thankful and privileged India has been to have had contact with such a superior, more developed nation, such as Britain, while simultaneously mentioning the excessive drain of Indian resources on the part of the British imperial administration. Other rhetorical devices such as metaphors, analogies and similes are important to analyse as they shift the meaning of words. In particular, as shall be discussed in chapter 3, natural science metaphors were used to explain societal change – e.g. social progress was likened to human growth.

Finally, the unsaid and unwritten also has a meaning and can have powerful concrete effects.²⁰⁵ As noted, the Indian Economists wanted to contest imperialism and persuade the British to consider their worldview on development, and in order to do so they may have left out certain opinions and theories from their writings and speeches to persuade the British to listen, and hopefully act. For instance, in some speeches, especially in Ranade's, the wish for self-rule was never expressed. It is clear that self-rule was always a wish for the Indian Economists, even if it was a long-term goal from 1870 to 1905. Eventually, the Indian Economists wanted India to be self-ruled, but in this initial period, the British were deemed persuadable. In other words, the Indian Economists were under the impression that moderate change through the imperial administration was their best strategy for harnessing progress in India. Yet, self-rule was still the plan in the long-run. This, however, was not mentioned extensively at the early meetings of the INC. Another example includes the conflicts between the Indian Economists. There are a few disagreements that appear in the letter exchanges, yet in much of the secondary literature, although not all, there is insufficient coverage of the divergences amongst the Indian Economists. I would speculate that these conflicts were purposefully unsaid and unwritten in the public space, in order to show a united front against the British.²⁰⁶ I need to explore these potential omissions to better understand the meaning of my primary material.

²⁰⁵ For further explanation and examples, see Luke, "Text and Discourse in Education: An Introduction to Critical Discourse Analysis," 31; Luke, "Beyond Science and Ideology Critique: Developments in Critical Discourse Analysis," 104.

²⁰⁶ Naoroji hints to the need for a united front on several occasions in his letters, see Naoroji, *Dadabhai Naoroji: Selected Private Papers*; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*.

Primary Materials

My primary resources cover particularly Naoroji, Ranade and Dutt's works in English, including lectures, journal and newspaper articles and available letters – found in both archives and in published form.²⁰⁷ There are two main issues that need to be discussed regarding the large selection of texts. Firstly, there are two reasons for covering only their English works: all the Indian Economists, including my three protagonists, wrote primarily in English, which means their ideas are exhaustively covered in my selection of texts; and Indian Economics' main goal at the beginning of my period of study was to educate the British about India's socio-economic context, in order to enable the imperial administration to implement more effective and appropriate policies to boost much needed progress. Thus, the Indian Economists were addressing an English audience – especially during INC and events in Britain, and in letters to

²⁰⁷ The specific archives used include: Digital Repository of Gokhale Institute of Politics and Economic (<http://dspace.gipe.ac.in/xmlui/>); London School of Economics Library Archives on Britain and South Asia; Maharashtra State Archives; and the British Library.

The full list of references is as follows: Ranade's texts includes: Mahadev Govind Ranade, *Rise of the Maratha Power* (Girgaum, Bombay: Punalekar and Company, 1900); Mahadev Govind Ranade, "Introduction to the Peishwa's Diaries," in *Peishwa's* (Pune: Civil Orphanage Press, 1900); Mahadev Govind Ranade, *A Revenue Manual of the British Empire in India* (Pune: Dnyan Prakesh Press, 1877); Mahadev Govind Ranade, *A Note on the Decentralization of Provincial Finance* (Pune: Dnyan Prakesh Press, 1894); Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*; Ranade, *Select Writings of the Late Hon'ble Mr. Justice M.G. Ranade on Indian States*; Ranade, *The Miscellaneous Writings of the Late Hon'ble Mr. Justice M.G. Ranade*.

The analysed works of Naoroji's include: Dadabhai Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, ed. Chunilal Lallubhai Parekh (Bombay: Caxton Printing Works, 1887); Naoroji, *Poverty and Un-British Rule in India*; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*; Naoroji, *Dadabhai Naoroji: Selected Private Papers*.

The analysed works of Dutt include: Dutt, *The Peasantry of Bengal*; Romesh Chunder Dutt, *Three Years in Europe, 1868 to 1871: With an Account of Subsequent Visits to Europe in 1886 and 1893*, 4th ed. (Calcutta: S.K. Lahiri and Company, 1896); Romesh Chunder Dutt, *The Literature of Bengal* (Calcutta and London: Thacker Spink and Company, and Archibald Constable, 1895); Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*; Romesh Chunder Dutt, *Open Letters to Lord Curzon on Famines and Land Assessments in India* (London: Kegan Paul, Trench, Trübner & Company Ltd., 1900); Dutt, *Indian Famines, Their Causes and Prevention*; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*; Romesh Chunder Dutt, *Papers Regarding the Land Revenue System of British India* (London: Darling & Son, 1902).

Finally, the following primary texts were also analysed: Iyer, *Some Economic Aspects of British Rule in India*; Iyer, *Speeches and Writings*; Ganapathy Subramaniya Iyer, "Railways in India," in *Indian Politics* (Madras: Swadesamitran Press, 1898), 181–94; Kashinath Trimbak Telang, "Free Trade and Protection from an Indian Point of View," in *Selected Writings and Speeches*, vol. 1 (Bombay: Manoranjan Press, 1916), 97–181; Gokhale, *Speeches and Writings of Gopal Krishna Gokhale*; Ray, *Indian Famines - Their Causes and Remedies*; Banerjea, *Speeches and Writings of Hon. Surendranath Banerjea: Selected by Himself*; Joshi, *Writings and Speeches of G.V. Joshi*.

British imperial officials and parliamentarians. It is also worth mentioning that letters between the Indian Economists were in English, probably both due to Indian language differences but also because their letters were sometimes published in English newspapers, and sometimes the Indian Economists were openly in favour of the British reading their letters because it was another way to be heard. Finally, it should be noted that the Indian Economists were taught almost exclusively in English from a very young age. In sum, English was the dominant language used by Indian Economics because it was both a necessary means to fulfil Indian Economics' intention to change British imperial actions and a useful discursive tool to interact with different Indian intellectuals in a multilingual territory.

The second main issue related to my specific selection concerns the widespread denial, in the secondary literature, of Indian intellectuals contributing any original theory.²⁰⁸ On the contrary, my contribution based on a systematic and critical analysis of the idea of development is that there are innovative elements to these thinkers' conceptualisation and understanding of the complex Indian society between 1870 and 1905. I mention it here because these texts are scattered across lectures, articles, letters and books that necessitate a vast amount of repetitive reading to formulate my protagonists' overall understanding of Indian social, economic and political progress and development. Indeed, each piece of writing or speech had to often repeat their ideas to give sufficient explanation to a new audience. Thus, the very format of these thinkers' work renders a comprehensive interpretation of their theories onerous, although not impossible. Hence, the medium of dialogue, such as lectures, journal articles, letters and books, will be taken into account during the analysis.

The letters to be analysed are often letters written to my protagonists, rather than by them, which I handle in two ways. Firstly, when a letter writer clearly states that he does not agree with my protagonist I have further researched what this other figure has argued in other places to give more depth to the relevant claim. For example, Wacha disagreed with Naoroji on the root cause of Indian poverty. Wacha has therefore become a figure, apart from my three main protagonists, that I analyse in more detail on this particular topic. In cases when it clearly states that they agree with my protagonist, I assume that this is an idea I can attribute to one of

²⁰⁸ e.g. Chandra, *The Rise and Growth of Economic Nationalism in India*; Chandra, "Colonial India: British versus Indian Views of Development"; James Kellock, "Ranade and After: A Study of The Development of Economic Thought in India," *Indian Journal of Economics* 22, no. 3 (1942): 245–60; Panikkanparambil Kesavan Gopalakrishnan, *Development of Economic Ideas in India, 1880-1914* (New Delhi: People's Publishing House, 1954); Jose A. Torres, "The Ideological Component of Indian Development," *Ethics* 72, no. 2 (1962): 79–105; Ganguli, *Indian Economic Thought: Nineteenth Century Perspectives*; Joseph John Spengler, *Indian Economic Thought* (Durham, N. C: Duke University Press, 1971).

my protagonists. Secondly, my theoretical framework informs me how to analyse letters written to my protagonists. Bakhtin's concept of assimilation understands meaning creation as a process of assimilating other peoples' ideas. The letters written to my protagonists then would have shaped their understanding of progress and development, and consequently help answer my research question (what shaped the idea of development in Indian political economy, 1870-1905). In short, even the letters written to my protagonists inform my research in two ways: disagreements can highlight other important strands of thinking outside of my key protagonists and Bakhtin's idea of assimilation of others' ideas informs me of the letters' role in constructing my protagonists' understanding of progress and development.

Conclusion

I first laid out my theoretical foundations based on dialogism. Dialogism helps my analysis to understand meaning production as a fundamentally dialogic process whereby meanings are produced in interaction with other meanings. Through dialogism's various concepts, I can characterise how words, utterances and discourses simultaneously facilitate and constrain social action of its interlocutors. Discourse provides interlocutors with words to assert a particular view point but those same discourses constrain interlocutors with a limited set of words. Utterances are made up of divergent meanings, views of the world and ideologies.

I then explained how PDA enables me to systematically analyse those different types of discourse characterised in dialogism. PDA is particularly appropriate for my research question because it aims to identify marginal discourses, like Indian Economics' idea of development, which are often dwarfed by and situated at the margins of dominant discourses. The steps of PDA are to first identify the dominant discourse in the marginal discourse (Indian Economics' texts) and then to identify the discursive innovation and hybridisation caused by the joining of these different discourses. To conclude, I argue that the combination of dialogism and PDA will enable me to approach the texts of Indian Economics from a previously inaccessible point of view. The following chapter, as prescribed by my method, will lay out the Indian Economists' context from 1858 to 1905.

Chapter 2 – The Beginnings of Indian Economics: Situating the Indian Economists within their Multispatial and Multidiscursive Context, 1858-1905

*My object at present is to show in greater detail what I have already stated before, that, under the present system of administration, India is suffering seriously in several ways, and is sinking in poverty.*²⁰⁹

Dadabhai Naoroji

*We must realise clearly our exact situation, i.e., first, our phenomenal Poverty, and secondly, our growing dependence on the single and precarious resources of Agriculture.*²¹⁰

Mahadev Govind Ranade

*No imperial observer in India, no unprejudiced critic in this country, can think of the wretched and almost universal poverty of the vast population of India without a feeling of commiseration and sorrow, or can read of the frequent and fatal famines of that country without a feeling of pain and of humiliation.*²¹¹

Romesh Chunder Dutt

As established in my research design, both multispatial and multidiscursive contexts shape discursive practices. I will therefore situate my research focus, Indian Economics, in its relevant milieu. The contextualisation spans from 1858 to 1905 to give sufficient background to Indian Economics' establishment and is split into two dimensions, the multispatial and multidiscursive. The multispatial contextual dimension aims to examine the institutional, situational, national, historical, socio-cultural-economic-political contexts based on secondary literature primarily from research in the disciplines of economic history and history. The multidiscursive dimension investigates the intertextual and ideological contexts based on conceptual and intellectual histories of mostly British interlocutors on the Indian political economy of development. Finally, I give an overview of the beginnings of Indian Economics, its various economists and its different strands.

India's multispatial context from 1858 and 1905 was discouraging, as was Indian Economics' diagnosis of the Indian economy and, consequently, its research focus. India had "almost universal poverty," "phenomenal Poverty," and was "sinking in poverty" according to

²⁰⁹ A speech read before the Bombay Branch of the East India Association on Monday, 25 February 1876 (Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 160.).

²¹⁰ Inaugural Address at the first Industrial Conference, Pune, 1890 (Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 205.).

²¹¹ A speech at the Philosophical Institution, Glasgow, 4 September 1901 (Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 87.).

Dutt, Ranade and Naoroji respectively.²¹² Indeed, as the first section will show, 20th and 21st century secondary literature finds similar conclusions.

Nonetheless, India's multi-spatial context was dense and complex during this period. The Indian economy expanded over a large geographical area and was extensively involved in the global economy. A long history of trading in the subcontinent, primarily in textiles during the Mughal period, and the British rule meant that India had a significant role in the global economy. The contextualisation in the first section below does not aim to be comprehensive but aims rather to centre on Indian Economics' main areas of study: (de)industrialisation, agriculture commercialisation and famines, while attempting nevertheless to construct a nuanced account of the multifaceted Indian political economy from 1858 to 1905.

Similarly, Indian Economics' multidiscursive context warrants a close investigation to construct the various intertextual and ideological elements that shaped Indian Economics' development discourse. While the multidiscursive context will be discussed in conjunction with Indian Economics' discursive practices throughout the thesis, the second section below aims to briefly situate Indian Economics' development discourse within its discursive context from 1858 to 1905. In particular, I will establish my protagonists' educational background and discuss the relevant interlocutors partaking in the dialog on India's development (primarily British officers, intellectuals and businessmen).

Why and how then did Indian Economics emerge within India's multifaceted context? Ranade founded Indian Economics at a lecture in 1892 when he uttered that the peculiar Indian context required a distinct Indian economic thinking.²¹³ An additional source by Iyer similarly lays out the foundations of Indian Economics. There was wide consensus within Indian Economics, amid Indian and British public opinion, and among British figures such as political economists and imperial officials, that the Indian context was *different*. As one newspaper wrote, "the condition of India is in many respects peculiar and the same law which holds good in other countries may not hold good here."²¹⁴ In fact, the argument of difference was used as early as 1682 by Heneage Finch, a lawyer defending the British East India Company in the Sandys trial to protect its monopoly rights, rather than follow the common British practice of free trade.²¹⁵ The argument of India as different then can also be found in James Mill's *History of*

²¹² Ibid.; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 205; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 160.

²¹³ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 1–42.

²¹⁴ Printed in the *Amrita Bazar Patrika* on 1 December 1870.

²¹⁵ see Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 35.

British India in which he describes India as a country of chaos and disorder, including its government, judicial system and religion, distinctive from Britain and Europe.²¹⁶ Mill's book was described by one reviewer, Terence Ball, as "the beginning of a sound thinking on the subject of India."²¹⁷ Indian Economics was thus established to create a contextually relevant understanding of the Indian economy, aiming in turn to identify appropriate solutions for India.

Yet while both sides – the Indian Economists and British interlocutors – generally agreed that India was different and economically regressive, their motivations for uttering such claims differed. On the one hand, the British East Indian Company and the imperial administration that followed attempted to legitimise its control over the Indian people by declaring them regressive, inferior and ultimately different. Something that came to be labelled as the civilising mission. On the other hand, Indian Economics intended to prove India's difference to render its economy, institutions and people visible. As scholars such as Robert Young, Allan Luke and Bhabha explain, imperialism makes imperial subjects both invisible and different, rendering Indians simultaneously absent and present.²¹⁸ If Indian intellectuals successfully showed that India was different, its existence could discursively materialise. One result of such an attempt was the establishment of Indian Economics.

All the Indian Economists argued that India needed an effective plan of development that would harness much needed progress. The plan included industrialising India's economy through a policy framework of balanced growth. The Indian Economists were convinced that the existing imperial policies were regressing India. Nevertheless, there were nuances in perspective and focus amongst the Indian Economists. For instance, Ranade and Iyer who wrote the founding texts of Indian Economics argued that India needed separate economic principles and theories. Other economists such as Naoroji and Dutt argued that India would abide to universal economic norms as soon as India became independent. There were thus some nuances within the discourse regarding universality. Additionally, some Indian Economists concentrated on the imperial economic drain of India's various resources such as Naoroji. Others, such as Dutt, focused on rural development. Still others such as Ranade advocated for social and religious policies. In short, Indian Economics includes diverging discursive practises and worldviews around development, despite Indian Economics' status as a recognised, distinct set of economic

²¹⁶ James Mill, *The History of British India* (London: Baldwin, Cradock, and Joy, 1817).

²¹⁷ Quoted in Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 202.

²¹⁸ Robert Young, *White Mythologies: Writing History and the West* (London: Routledge, 1990); Luke, "Text and Discourse in Education: An Introduction to Critical Discourse Analysis," 38; Bhabha, *Nation and Narration*.

theories. The following chapters will therefore include analyses of such nuances within Indian Economics' idea of development.

The start of the period in question, 1858, marks the takeover of India as an official colony of Britain (although the battle of Plassey in 1757 had already consolidated the British East India Company's presence in Bengal). The 1857-58 Indian Mutiny triggered the formal imperialism of India, started by, as the dominant narrative asserts, Indian soldiers who were given guns they claimed were contaminated with pig and cow fat.²¹⁹ Other uprisings followed for various reasons. A comprehensive discussion on the causes and effects of the Indian Mutiny is beyond the scope of the thesis.²²⁰ Rather, 1858 is significant here because it marks the start of a period in which British control over the Indian economy dramatically increased. Indeed, the formal imperialism of India led Indians to see the British as a permanent fixture in India and forced Indians to find ways to cooperate with the British.²²¹ The end of my period of study, on the other hand, marks a shift to non-corporation. The Indian Economists under study here no longer believed that India's imperial rulers would implement necessary progressive policies. The earlier Indian Economists gradually shifted their focus from educating the British about the Indian economy to fighting for independence. By 1906, Naoroji declared independence as INC's primary goal.

The chapter starts with a discussion of the multispatial context in India from 1858 to 1905. The following section will then investigate the multidiscursive context in the same period. The last two sections explain the beginnings of Indian Economics, and the different individuals and strands within Indian Economics respectively using existing secondary literature. I show that the multispatial and multidiscursive context provided Indian Economics with the reasoning, institutional structure and discursive practices to establish new economic thinking. Finally, I conclude the chapter by explaining my approach of assigning agency to the Indian

²¹⁹ Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 226; Michael Adas, "Twentieth Century Approaches to the Indian Mutiny of 1857-58," *Journal of Asian History* 5 (1971): 1-19.

²²⁰ Almost 300 studies have been written on the Indian Mutiny with little to no consensus on why it happened (Adas, "Twentieth Century Approaches to the Indian Mutiny of 1857-58," 1.). National bias – i.e. British versus Indian accounts – can partly explain the disagreements. But the varied accounts also stem from the fact that the event was widespread and complex (Ibid., 16.). The main four theories to explain the causes of the Mutiny to emerge in the 20th century include the nationalist interpretation, the Marxists analysis, the view that the Mutiny was a traditionalist rebellion and studies of local uprisings (see Adas, "Twentieth Century Approaches to the Indian Mutiny of 1857-58." for full descriptions of each theory). Recent research has found one reason shared by all rebel statements: the rebels felt like the British East India Company was trying to make all Indians eat the same food, which, according to many Indians, corroded the essence of Indian life. The rebels opposed the idea that India shared a common culture or nationality and fought for Indian plurality (Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 244.).

²²¹ Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 265-66.

Economists in development discourse. The final section explains how my thesis contributes to the existing secondary literature on Indian Economics.

The Long Depression: the multispatial context, 1858-1905

India is generally in a poor economic state from 1858 to 1905, as deindustrialisation in small-scale industries coupled with timid industrialisation in a few large-scale industries – agricultural commercialisation – and some of India's most severe famines crippled the economy.

Deindustrialisation in small-scale industries

The idea that British imperialism was deindustrialising India emerged in the second half of the 19th century. India was perceived as an extremely poor economy waiting for an industrial revolution. For instance, Ranade was concerned with the underdeveloped Indian industrial sectors,²²² and Dutt published the first historical academic account of Indian deindustrialisation since 1800.²²³ However, the debate on deindustrialisation is challenging for two reasons: first, the idea that British policy led to the destruction of the handicraft industry in India played a large role in the nationalist conception of British rule; and, second, there are still many unanswered questions about the concept, measurement and explanations of deindustrialisation.²²⁴ Indian Economics' link between deindustrialisation and British imperial policy may have prevented a more nuanced portrayal of a complex reality.²²⁵

Recent studies have shown a more nuanced view of what happened during the second half of the 19th century.²²⁶ For example, the silk industry in Bengal endured despite discriminatory policies implemented by the imperial government, while similar policies dramatically harmed the cotton handicrafts industry.²²⁷ In order thus to untangle the conventional link between British policies in India and deindustrialisation, I employ the following definition of deindustrialisation from Latika Chaudhary et al: a development where (a) there is a downfall of an industry, and (b) that downfall is not simultaneously compensated by an emerging and/or growing modern industry in the same line of production.²²⁸ I shall show below how these two developments occurred in parts of the Indian economy in the late 19th century.

²²² Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 105–29, 170–75.

²²³ Dutt, *Indian Famines, Their Causes and Prevention*; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*.

²²⁴ Chaudhary et al., *A New Economic History of Colonial India*, 52.

²²⁵ *Ibid.*, 55.

²²⁶ *Ibid.*, 53.

²²⁷ *Ibid.*, 55.

²²⁸ *Ibid.*

Empirical evidence for deindustrialisation falls under two main categories: 1. inter-sectoral studies based on employment and output data; and 2. industry studies. The inter-sectoral studies use mostly census data for employment, meaning that they analyse trends in total Indian employment in small- and large-scale industries. The industry studies look at specific industries concentrating primarily on the small-scale industries. Overall, most scholars agree that industrial production decreased in the second half of the 19th century, substantiated by the decreasing number of people employed by industry.²²⁹ Contrary to what happened in Britain, the increasing trend of Indian unemployment in the handicrafts or traditional industries was not compensated by increasing employment in the modern industrial sector or large factories. In fact, the growth of factories was non-existent between the 1860s and 1870s and gained only a slow growth rate after that.²³⁰ The simultaneous decline of traditional industries and lack of growth in modern industries is how I define deindustrialisation in accordance with Chaudhary et al.

Nonetheless, the intersectoral studies show mixed results despite decreasing aggregate employment in industry. The first intersectoral study finds that the total workforce in manufacturing, mining, and construction as a proportion of the total workforce fell from 28.4% to 12.4% between 1881 and 1891.²³¹ Yet, the study suffers from several methodological issues to do with the reliability of census data²³² - e.g. Alice Thorner and Daniel Thorner used the same data and found different results.²³³ Thorner's and Thorner's filtered data shows that the level of employment by manufacturers stagnated at around 14.8 million between those periods. Additional research calculates that industrial employment declined from 20 to 13-15 million from 1881 to 1931²³⁴ and that the population dependent on industry decreases from 18% to 8-9% coupled with a dramatic decrease in cotton spinners and weavers.²³⁵ In fact, the vast majority of

²²⁹ Colin Clark, *The Conditions of Economic Progress*, 2nd ed. (London: Macmillan and Company, 1951); Daniel Thorner and Alice Thorner, eds., *Land and Labour in India* (Bombay: Asia Publishing House, 1962); Amiya Kumar Bagchi, "De-industrialization in India in the Nineteenth Century: Some Theoretical Implications," *The Journal of Development Studies* 12, no. 2 (1976): 135-64; Amiya Kumar Bagchi, "Deindustrialization in Gangetic Bihar 1809-1901," in *Essays in Honour of Prof. Susobhan Chandra Sarkar*, ed. Arun Das Gupta and Barun De (New Delhi: People's Publishing House, 1976); Raghavendra Chattopadhyay, "Trend of Industrialisation in Bengal, 1901-1931," *Economic and Political Weekly* 16, no. 35 (1981): 1425-32; Roy, *Economic History of India, 1857-1947*; Sarkar, *Modern India 1886-1947*.

²³⁰ Sarkar, *Modern India 1886-1947*, 28.

²³¹ Clark, *The Conditions of Economic Progress*.

²³² Robust employment data is hard to come before the 20th century. The census series between 1881 and 1911 confuses different categories, which makes it difficult to tell whether the proportion of the population working for industry actually decreased (Roy, *Economic History of India, 1857-1947*, 160.).

²³³ Thorner and Thorner, *Land and Labour in India*, 70-71.

²³⁴ Roy, *Economic History of India, 1857-1947*, 163.

²³⁵ Bagchi, "Deindustrialization in Gangetic Bihar 1809-1901"; Roy, *Economic History of India, 1857-1947*.

the decline occurred in the traditional textile industry, e.g. the percentage of employment in cotton went from 62.3% in 1809-13 to 15.1% in 1901 in Gangetic Bihar.²³⁶ In sum, the decline is spread unevenly.

Scholars who have investigated the industry level figures in the late 19th century, rather than aggregate figures, have found that the fall in industrial employment was concentrated in small-scale industries - also referred to as traditional handicraft industries.²³⁷ Textile production was the most significant small-scale industry in India, employing one in every four workers in all small-scale industries. Then came food processing, metals, wood products, and hides and skins. The handicraft industries consisted of companies that used labour intensive techniques based in family firms and small wage-based workshops. There were also small-scale firms who used some machinery and tools and had a higher average scale – e.g. machine-milled rice.²³⁸ Small-scale industries were concentrated in production that intensively used natural resources (cotton, metals, minerals, animal substance) or were labour dominated.²³⁹ Almost half of the total employment in the industry was located in the United Provinces, Punjab, and Madras (see Map 1 below for the major urban sites and clusters of handicraft production).

²³⁶ Bagchi, “De-industrialization in India in the Nineteenth Century: Some Theoretical Implications,” 139–40.

²³⁷ Roy, *Economic History of India, 1857-1947*, 163.

²³⁸ *Ibid.*, 150.

²³⁹ *Ibid.*, 163.

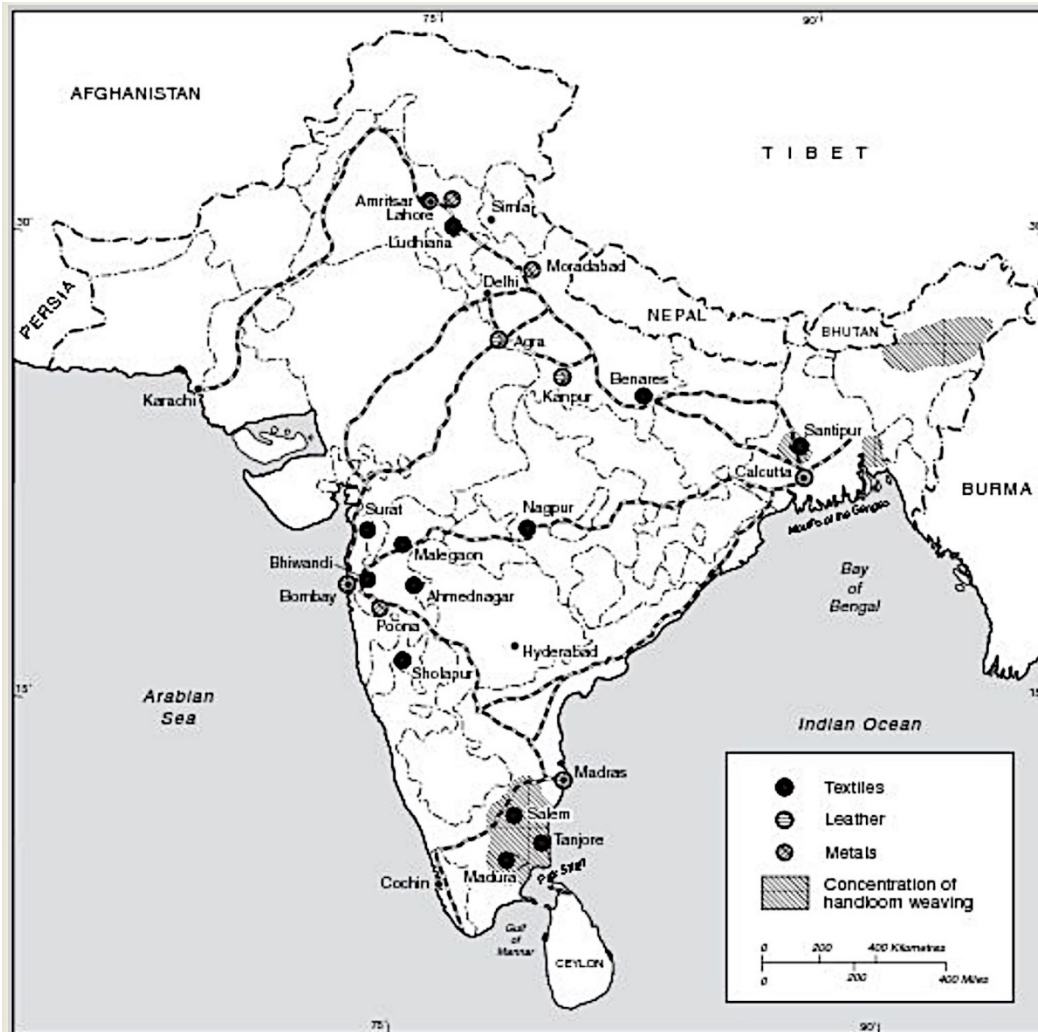


Figure 1: Small-scale industry²⁴⁰

Another intersectoral study uses different data, but also finds evidence for deindustrialisation. Paul Bairoch uses data on aggregate Indian manufacturing output as a share of global output and industry specific exports in textiles to show that there was deindustrialisation.²⁴¹ Bairoch estimates that India's share of global output decreased from 17.6% in 1830 to 2.8% in 1880 and then to 1.4% in 1913.²⁴² Bairoch concludes that the deindustrialisation of India occurred largely through substituting locally manufactured textiles with British cloth imports. Britain exported 51 million yards of cloth to Asia in 1831, 995 million

²⁴⁰ Ibid., 172.

²⁴¹ Paul Bairoch, "Geographical Structure and Trade Balance of European Foreign Trade from 1800 to 1970," *Journal of European Economic History* 3, no. 3 (1974): 557–80; Paul Bairoch, "International Industrialization Levels from 1750 to 1980," *Journal of European Economic History* 11, no. 2 (1982): 269–333.

²⁴² Bairoch, "International Industrialization Levels from 1750 to 1980," 269–333.

in 1871, 1413 million in 1879 and 2000 million in 1887.²⁴³ Similarly, Angus Maddison finds that Indian yarn exports to Japan dropped from 8,400 tonnes in 1890 to almost nothing in 1898.²⁴⁴ Indian Economics also used export data to show that there had been a decline in Indian textile exports and an increase in Lancashire imports, which they argued showed a decline in domestic production – see chapter 4 for further discussion.

The second group of studies on the industry level also concentrate on the textile industry. David Clingingsmith and Jeffrey Williamson argue that decreasing global textile prices, increasing grain prices and the increasingly unfavourable inter-sectoral terms of trade for textiles relative to agricultural goods, gives evidence for deindustrialisation.²⁴⁵ Peter Harnetty also confirms deindustrialisation: the textile industry captured the entire domestic market in 1801, yet only 23% by 1900-1901.²⁴⁶ In the central provinces, imported textile products increased from 23 to 105 million pounds from 1863-1864 to 1887-1888, while Indian textile exports decreased from 60 to 26 billion pounds during the same period – Michael Twomey finds similar results.²⁴⁷ Likewise, Amalendu Guha observes the net availability of cotton yarns decreased from 419 million pounds to 240 million pounds from 1850 to 1870.²⁴⁸ Finally, Ifran Habib and Tirthankar Roy support the same conclusion by measuring the decrease in per capital cotton acreage.²⁴⁹ In sum, both the intersectoral and industry level studies show a general decrease in aggregate industrial employment and production most dramatic in the textile industry.

More recent literature argues for a more nuanced conclusion. Understanding whether there was an aggregate trend of deindustrialisation is difficult in a large and complex subcontinent like India.²⁵⁰ Firstly, the fall in employment seems to be correlated with the

²⁴³ Bairoch, “Geographical Structure and Trade Balance of European Foreign Trade from 1800 to 1970,” 565.

²⁴⁴ Angus Maddison, “The Historical Origins of Indian Poverty,” *Quarterly Review/Banca Nazionale Del Lavoro, Roma* 92 (1970): 68.

²⁴⁵ David Clingingsmith and Jeffrey G. Williamson, “Deindustrialization in 18th and 19th Century India: Mughal Decline, Climate Shocks and British Industrial Ascent,” *Explorations in Economic History* 45, no. 3 (2008): 209–34.

²⁴⁶ Peter Harnetty, “Deindustrialization’ Revisited: The Handloom Weavers of the Central Provinces of India, c. 800-1947,” *Modern Asian Studies* 25, no. 3 (July 28, 1991): 455–510.

²⁴⁷ Michael J. Twomey, “Employment in Nineteenth Century Indian Textiles,” *Explorations in Economic History* 20 (1983): 37–57.

²⁴⁸ Amalendu Guha, “Raw Cotton of Western India: 1750-1850,” *The Indian Economic & Social History Review* 9, no. 1 (March 26, 1972): 1–41.

²⁴⁹ Ifran Habib, *Essays in Indian History: Towards a Marxist Perception* (New Delhi: Tulika, 1996); Roy, *Economic History of India, 1857-1947*.

²⁵⁰ Roy, *Economic History of India, 1857-1947*; Chaudhary et al., *A New Economic History of Colonial India*; Sarkar, *Modern India 1886-1947*.

increase in mechanisation. Although, as mentioned above, Roy agrees that the number of workers employed in handicrafts declined,²⁵¹ artisans were adapting to a new economic environment. Artisans were increasingly forced to deal with segmented markets, globalisation and increasing wage- instead of self-employment. Roy shows that income per worker actually increased in small-scale industry faster than in large-scale factories, i.e. employment fell in the indigenous textile industry while income increased. Decreasing employment in the indigenous industry was thus partly due to increased mechanisation or, put differently, an increase in efficiency.²⁵² For instance, new tools such as the fly-shuttle slay was used in handloom textiles (accounting for a third of employment in small-scale industry), and the frame-mounted loom, the jacquard, dobby, drop box, and synthetic dies were imported from Europe.²⁵³ Productivity increases meant a lower demand for labour – also seen in tanning and metal work. Productivity increased due to technological change and a shift from household to wage workshops, increasing the average number of hours worked per labourer.²⁵⁴ In sum, a part of the decrease in aggregate employment could be attributed to productivity increases.

Secondly, diversity within the indigenous industrial sector meant that various lines of production were affected unevenly by deindustrialisation. The indigenous industry produced different goods: intermediate goods (e.g. cotton yarn and dyes), tools for peasants (e.g. ploughs or hand implements), consumer goods for the poor (e.g. coarse cloth, pottery for daily use, grain milling) and commodities for well-off consumers or export markets (decorated cotton cloth, silk, brassware, carpets, leather goods).²⁵⁵ British industrialisation significantly damaged the viability of the first three product groups, because these goods could be produced much cheaper with machines. However, the fourth group of products did not experience significant competition (e.g. decorated cotton and silk, urban blacksmiths and carpenters or resources such as leather). The sari, for example, was made of silk and other fibres, which the mechanised factories did not use.²⁵⁶ The silk textile industry experienced no decline and the cotton industry was only reduced by 28%.²⁵⁷ International competition came only from coarse medium cotton cloth and printed

²⁵¹ Roy, *Economic History of India, 1857-1947*, 158.

²⁵² Jiddu Krishnamurthy, “De-Industrialisation Revisited,” *Economic and Political Weekly* 11, no. 26 (1976): 964–67; Roy, *Economic History of India, 1857-1947*, 158–60.

²⁵³ Roy, *Economic History of India, 1857-1947*, 169.

²⁵⁴ *Ibid.*, 161.

²⁵⁵ *Ibid.*, 164.

²⁵⁶ *Ibid.*, 167.

²⁵⁷ Chaudhary et al., *A New Economic History of Colonial India*, 62.

and bleached cotton cloth.²⁵⁸ Deindustrialisation thus spread unevenly across the small-scale industries.

Thirdly, rural and interior urban areas probably survived much longer than in the East where British imperialism had started and penetrated deeper as a result.²⁵⁹ For instance, some urban artisans gained from globalisation by obtaining more raw materials, new markets and knowledge. It encouraged wage employment and discouraged the old household forms of labour relations. As a result, the number of women in work decreased but increased wage work for men and men's number of hours at work.²⁶⁰ Additionally, some towns prospered from the railways due to increased access to global markets, while small-scale textile producers in rural and interior towns had to close due to increased competition caused by the railways penetrating India with exports.²⁶¹ In fact, long-distance trade in both wool and woven products expanded. Sheep rearing relocated towards areas that could support better breeds and easier grazing conditions. Subsequently, Rajputana specialised in wool production, whereas Uttar Pradesh and Punjab developed as major weaving centres.²⁶² Deindustrialisation therefore also spread unevenly across regions.

Finally, agricultural commercialisation produced higher demand for handloom and mill-made cloths. Research shows that agricultural commercialisation increased purchasing power and trade in cash-crop regions, primarily cotton. As a result, several mills were established to meet the higher demand, which is how capital accumulation began.²⁶³ The handloom industry still accounted for 25% of the cotton cloth produced annually in the early 1900s, and its share of production was stable between 1890 and 1930.²⁶⁴ In sum, higher domestic demand in some areas led to growth in the cotton industry - see subsection on agricultural commercialisation for more information.

There are several reasons for India's deindustrialisation. Although a full discussion will follow in chapter 3 and 4, the consensus in the secondary literature is that the main cause of deindustrialisation was the discriminatory imperial policies.²⁶⁵ In particular, *laissez-faire*

²⁵⁸ Roy, *Economic History of India, 1857-1947*, 166.

²⁵⁹ Sarkar, *Modern India 1886-1947*, 29.

²⁶⁰ Roy, *Economic History of India, 1857-1947*, 166.

²⁶¹ Ibid., 166, 176. For further discussion on the railways and its consequences, see chapter 4 and Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 267–68, 278–79, 285–86.

²⁶² Roy, *Economic History of India, 1857-1947*, 175.

²⁶³ Ibid., 165.

²⁶⁴ Ibid.

²⁶⁵ Bairoch, "Geographical Structure and Trade Balance of European Foreign Trade from 1800 to 1970"; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen*

policies exposed Indian industry to strong international competition and forced India to specialise in agriculture. For instance, India had very low tariffs for imported manufacturers, giving little protection for nascent industries.²⁶⁶ Simultaneously, the Manchester Cotton Association successfully lobbied for protectionist measures for Britain's textile industry, lowering British demand for Indian textile exports. Imperial policies discouraged modern industrial development by, for instance, discriminating against Indian entrepreneurs through monopolies or prohibiting a formal Indian banking sector to emerge. Finally, India's relative industrial decline can also be attributed to the growing industrial competitiveness of other nations like Britain, Germany, Japan, France etc. Rapidly decreasing costs of productions thanks to mechanisation in Europe made it difficult for Indian exports to compete on the international market.²⁶⁷

In sum, India's deindustrialisation was spread unevenly across the economy. Some indigenous industries were struggling, resulting in a steady and large flow of artisans migrating to industrial towns.²⁶⁸ While some of the former indigenous industrial workers got employment in large factories and mills, others were able to continue their craft near sources of raw material and market points.²⁶⁹ Viewed more comprehensively, deindustrialisation affected different industries and areas heterogeneously. The large migration had a reason: there was an increasing demand for industrial workers in a few new industries emerging in the 1860s and 1870s. These included cotton and jute manufacturing, coal mining, papermaking, tea plantations and engineering, which grew in the second half of the 19th century with the latest technology and modern organisation.²⁷⁰ India's modern industries were simultaneously developing, albeit at a slow rate.

Victoria in 1837; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*; Amartya Sen, "The Pattern of British Enterprise in India 1854-1914: A Causal Analysis," in *Social and Economic Change*, ed. B Singh and V Singh (Bombay: Allied Publishers, 1967); Naoroji, *Poverty and Un-British Rule in India*; Stanley Wolpert, *A New History of India* (Oxford: Oxford University Press, 1989); Laxman Satya, *Cotton and Famine in Berar, 1850-1900* (New Delhi: Manohar, 1997); Davis, *Late Victorian Holocausts: El Niño Famines and the Making of the Third World*; Bayly, "The Birth of the Modern World: 1780-1914"; Beckert, *Empire of Cotton: A Global History*.

²⁶⁶ Bayly, "The Birth of the Modern World: 1780-1914," 182.

²⁶⁷ See for example Roy, *Economic History of India, 1857-1947*, 80.

²⁶⁸ Ibid., 177.

²⁶⁹ Ibid.

²⁷⁰ Chaudhary et al., *A New Economic History of Colonial India*, 62.

Slow industrial growth in large-scale industries

The first burst of industrialisation occurred from 1860 to 1914.²⁷¹ There was a steady increase of industrial workers, increasing from around zero in 1850 to 5% of the population by 1891.²⁷² The share of Gross Domestic Product associated with large-scale industry was at 15% by 1900.²⁷³ Aggregate figures show that the modern industry remained small as a proportion of the aggregate Indian economy,²⁷⁴ mainly because the industrial areas were concentrated in only a few urban areas and industries.²⁷⁵ Bombay and Ahmedabad produced primarily cotton,²⁷⁶ and Calcutta jute production.²⁷⁷ The growth in these areas was significant: employment growth rate in factories peaked at 5.6% every year between 1870 and 1921 when the largest growth of industry occurred, while the employment growth rate was only 1.1% in Britain between 1856 and 1937.²⁷⁸ Spinning and weaving in cotton and jute production were therefore the most significant industries.²⁷⁹

Cotton production experienced a steady growth during the second half of the 19th century and into the early 20th century. The first profitable steam powered cotton factory was established in 1854 by C. N. Davar.²⁸⁰ By 1865, there were ten mills as other entrepreneurs realised the potential from Davar's success.²⁸¹ The rise of the modern Indian textile industry in the 1860s was helped by the American civil war, 1861–1865, which cut-off supplies of American cotton to Britain's textile industry. The increased demand for Indian cotton sufficiently pushed up cotton prices to boost profits and enabled a cotton mill industry to emerge in western India.²⁸²

²⁷¹ Sen, "The Pattern of British Enterprise in India 1854-1914: A Causal Analysis," 409; Roy, *Economic History of India, 1857-1947*, 186; Kumar and Desai, *The Cambridge Economic History of India*, 2:566; Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 352–53, 382–83.

²⁷² Roy, *Economic History of India, 1857-1947*, 184.

²⁷³ *Ibid.*, 183.

²⁷⁴ Bairoch, "International Industrialization Levels from 1750 to 1980," 290.

²⁷⁵ Sen, "The Pattern of British Enterprise in India 1854-1914: A Causal Analysis," 409; Roy, *Economic History of India, 1857-1947*, 186; Kumar and Desai, *The Cambridge Economic History of India*, 2:566.

²⁷⁶ Eighty percent of workers employed in cotton production were based in Bombay and Ahmedabad in the 1880s (Roy, *Economic History of India, 1857-1947*, 189.).

²⁷⁷ *Ibid.*, 186.

²⁷⁸ *Ibid.*, 183.

²⁷⁹ Sen, "The Pattern of British Enterprise in India 1854-1914: A Causal Analysis," 409; Roy, *Economic History of India, 1857-1947*, 186; Kumar and Desai, *The Cambridge Economic History of India*, 2:566.

²⁸⁰ Roy, *Economic History of India, 1857-1947*, 189.

²⁸¹ *Ibid.*; Kumar and Desai, *The Cambridge Economic History of India*, 2:574–775.

²⁸² Kumar and Desai, *The Cambridge Economic History of India*, 2:575; Roy, *Economic History of India, 1857-1947*, 186. Simultaneously, tea became more internationally demanded and encouraged several tea plantations in Calcutta. A similar episode took place with gold in Madras. However, both industries went bankrupt due to a crisis around the mid-1860s.

The years after 1865 saw a boom and a crash, but a huge expansion followed. The cotton companies stimulated local stock exchanges and popularised the notion of joint-stock companies.²⁸³ There were 58 mills by 1880 employing 40,000 workers.²⁸⁴ By 1914, there were 271 mills and a daily average employment of 26,000.²⁸⁵ The mills mainly sold yarn to handloom weavers in India and China between 1870 and 1914.²⁸⁶ They competed successfully with British yarn in both markets in coarser cotton, whereas the finer varieties were harder to compete with. British imports of cotton decreased as of 1870 due to the increased domestic production – again albeit only in coarser varieties. British imports started to concentrate in finer bleached and coloured fabrics. By 1910, the Indian cotton industry had become one of the world's biggest suppliers of coarse cotton.²⁸⁷

Despite the general lack of capital and credit, investors in the cotton industry were predominantly Indian – only about 10% to 20% of the capital invested came from Europeans.²⁸⁸ The cotton industry catered primarily to the domestic market, which partly explains the dominance of native ownership. Equally, there was a long history of cotton production in India, making it more difficult for foreigners to penetrate cotton production. In contrast, Europeans primarily owned jute manufacturing.

The jute industry also saw a gradual increase in output and sales. Growth was initially slow in the industry from 1855 to 1870, but rapidly sped up as of the 1870s. Until the 1870s, raw jute had been processed in Bengal to be spun into sacks outside of India, mainly in Dundee, Britain, and later in Germany.²⁸⁹ By the 1870s, however, Indian jute mills could penetrate international markets – starting in Australia, New Zealand and South Africa and then America and Egypt.²⁹⁰ The industry took advantage of cheap raw materials and labour as well as the increasing demand for jute sacking thanks to an expanding international commodity market during the 19th century.²⁹¹ By the turn of the century, India had a virtual monopoly in the global market. Indian flour and salt bags were sold in Britain after 1880.²⁹² The number of jute mills

²⁸³ Roy, *Economic History of India, 1857-1947*, 186.

²⁸⁴ Ibid., 189.

²⁸⁵ Ibid.

²⁸⁶ Ibid.

²⁸⁷ Ibid., 573. 80% of the cotton produced had less than or equal to 20 counts (Ibid., 578.).

²⁸⁸ Kumar and Desai, *The Cambridge Economic History of India*, 2:580.

²⁸⁹ Roy, *Economic History of India, 1857-1947*, 190.

²⁹⁰ Kumar and Desai, *The Cambridge Economic History of India*, 2:567. George Acland's jute mill of 1855 was the pioneer, who had mechanised jute spinning and weaving near Calcutta (Roy, *Economic History of India, 1857-1947*, 189.).

²⁹¹ Jute was primarily used as a raw material for sacking cloth.

²⁹² Roy, *Economic History of India, 1857-1947*, 189.

went from 5 in 1869 to 64 in 1913, concentrated in southern west Bengal and Bangladesh, while employment increased from 5,000-10,000 to 215,000.²⁹³ The raw jute exports increased in weight by 195%, and the manufactured products rose even more rapidly – e.g. gunny bag exports rose 19-fold and jute cloth exports went up 272 times between 1875-1876 and 1913-1914.²⁹⁴ The jute industry had thus become internationally competitive by the end of the 19th century.

Unlike the cotton industry, the jute industry was entirely owned and managed by Europeans.²⁹⁵ The literature offers a couple of explanations for the European dominance. First, the European monopoly was more easily set up in the jute industry because it was concentrated in and around Calcutta, in contrast to cotton mills who were more numerous and relatively more spread out.²⁹⁶ Still, as mentioned above, the cotton mills were also concentrated in two urban centres: Bombay and Ahmedabad. The second explanation, offered by Dharma Kumar and Meghnad Desai, might thus be more plausible. Indian investors were deterred by low rates of return coupled with an overall lack of access to capital, rather than any European monopoly colluding to keep Indians out of the industry.²⁹⁷ The monopoly certainly did not seem to be able to restrict jute output: there was a 3-fold increase in new mills, a 488% increase in looms and 352% increase in employment between 1883-1884 and 1913-1914.²⁹⁸ In fact, monopolies could not restrict output in order to gain higher profits, because foreign raw jute producers would simply supply the needed jute.²⁹⁹ It seems rather that the Indians suffered from a lack of capital and were discouraged by low rates of return.

Finally, a few other industrial sectors are worth mentioning. There were a handful of firms that became profitable in other large-scale industries: two woollen mills in Kanpur and Punjab as well as a branch in southern India, a paper mill near Calcutta and two leather-manufacturing companies in Kanpur.³⁰⁰ Like the jute manufacturers, these were all European owned firms, dependent also on government and European demand. The only successful Indian owned firm outside the cotton industry was the Tata Iron and Steel Company, but was

²⁹³ Ibid.

²⁹⁴ Kumar and Desai, *The Cambridge Economic History of India*, 2:567.

²⁹⁵ Ibid., 2:568; Roy, *Economic History of India, 1857-1947*, 190.

²⁹⁶ Kumar and Desai, *The Cambridge Economic History of India*, 2:570.

²⁹⁷ Monopolistic arrangements were set up to deal with overproduction and excess capacity – e.g. the Indian Jute Mills Association established in 1884.

²⁹⁸ Kumar and Desai, *The Cambridge Economic History of India*, 2:571.

²⁹⁹ Ibid.

³⁰⁰ There were also some smaller firms in agricultural material processing (such as rice and oil mills, sugar refining, and tobacco) and in chemical, metal and machinery production (Roy, *Economic History of India, 1857-1947*, 191.).

established after my period of study in 1911.³⁰¹ The European dominated jute industry and the lack of examples outside cotton and jute industries indicate an overall slow rate of Indian industrial growth in the late 19th century.

The industrial growth rate was slow for many reasons, and a full analysis of all the factors will be discussed in chapters 3 and 4, it will suffice to list the main issues here. First, imperial neglect and resistance to industrial development: *laissez-faire* policies in India and British policies to protect the Manchester textile industry prevented Indian infant industries from developing to a stage where they could compete internationally.³⁰² Second, there was scarce and inaccessible capital for investment. For example, a very slow developing formal banking sector caused high interest rates and the reliance on informal financial institutions.³⁰³ Third, undeveloped labour markets made it difficult for manufacturers to find workers trained in new production techniques.³⁰⁴ Fourth, general poverty dampened the vitality of the domestic market,³⁰⁵ causing a low aggregate demand. The deindustrialisation meant that former industrial workers lost their previous income. As many of them migrated to rural areas, aggregate demand decreased further as peasants tended to produce only enough for their subsistence needs. In fact, the lack of demand might be one of the biggest causes of slow industrial growth and deindustrialisation. The imposition of British cotton products is much smaller than many think – only about 25-30% of total British cotton exports went to India in 1900 at the peak of cotton exports to India.³⁰⁶ Total British cotton production at the time only represented 2.5% of Britain's Gross National Product.³⁰⁷ India needed above all a social revolution, disallowed by the British rulers, which would restructure demand.³⁰⁸ Fifth, there were high transportation costs before the railways became extensive.³⁰⁹ Finally, rising international competition from industrialising Europe naturally hurt India's exports. India's superior global trading position in especially textiles gradually shifted to Britain as British textile production offered significantly lower prices.

³⁰¹ Ibid.

³⁰² Naoroji, *Poverty and Un-British Rule in India*; Dutt, *Indian Famines, Their Causes and Prevention*; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*; Joshi, *Writings and Speeches of G.V. Joshi*.

³⁰³ Roy, *Economic History of India, 1857-1947*, 199; Kumar and Desai, *The Cambridge Economic History of India*, 2:556–57.

³⁰⁴ Kumar and Desai, *The Cambridge Economic History of India*, 2:598–99.

³⁰⁵ Ibid.

³⁰⁶ Washbrook, "The Indian Economy and the British Empire," 64.

³⁰⁷ Ibid.

³⁰⁸ Ibid.

³⁰⁹ Akshayakumar Ramanlal Desai, *Social Background of Indian Nationalism*, 6th ed. (Mumbai: Popular Prakashan, 1948); Roy, *Economic History of India, 1857-1947*.

To sum up, Indian industrial growth was steady, but the modern industrial sector remained small as a proportion of the whole economy. On the one hand, estimates show that large-scale industrial growth rates stood between 4% and 5% from 1880 to 1914 – which compares favourably to other parts of the world at the time.³¹⁰ Due to a high global demand for cotton and sacking, both British, mostly in jute, and Indian, mostly in cotton, entrepreneurs started cotton and jute manufacturers. On the other hand, as a proportion of the whole economy, the large-scale industry remained rather insignificant. The large-scale industry only produced 3.8% of the national income in 1913–1914 and the total factory employment of 1,023,000 still represented less than 0.8% of the total workforce.³¹¹ Timid large-scale industrial growth and deindustrialisation in the small-scale industry meant that the agricultural sector dominated the aggregate output.

Agricultural Commercialisation

Agriculture was the dominant sector within India's economy and the main source of growth. More than half of India's exports were agricultural products such as grains, seeds, raw cotton and raw jute,³¹² and India's trade volume doubled between 1880 and 1925.³¹³ As Roy describes "the age of the artisan had ended, and the age of the peasant had arrived."³¹⁴ Deindustrialisation led to an enormous increase in people relying on agriculture as their primary occupation.³¹⁵ Employment in the agricultural sector rose from 60-65% to 80% between the late 18th century and the end of the 19th century.³¹⁶ Agriculture provided livelihood to two-thirds of India's working population during the period under study – and until well after 1947.³¹⁷

India's agricultural sector commercialised in the second half of the 19th century. Agricultural production grew by 1% every year from 1870 to 1900, and cultivated land area increased by 30-40% between 1870 and 1946.³¹⁸ The commercialisation was primarily in wheat, rice, cotton, jute, groundnut and sugarcane. As early as the 1850s, agricultural prices started to rise quicker than manufactured export prices from the industrialised nations. The value of exports increased 4% per year from 1876 to 1913 of which at least half consisted of primary

³¹⁰ Kumar and Desai, *The Cambridge Economic History of India*, 2:592.

³¹¹ Ibid.

³¹² Roy, *Economic History of India, 1857-1947*, 90.

³¹³ Ibid.; Chaudhary et al., *A New Economic History of Colonial India*, 86–87.

³¹⁴ Roy, *Economic History of India, 1857-1947*, 90.

³¹⁵ Washbrook, "The Indian Economy and the British Empire," 63.

³¹⁶ Ibid.

³¹⁷ Roy, *Economic History of India, 1857-1947*, 104.

³¹⁸ Ibid.; Chaudhary et al., *A New Economic History of Colonial India*, 103.

products.³¹⁹ The average export price of wheat in 1870 was three times less than in 1920.³²⁰ Total agricultural exports doubled, creating new towns which also employed merchants, artisans, and service workers.³²¹ Expansive railway construction reduced transportation costs and subsequently increased international demand for Indian agricultural products, incentivising peasants to expand and intensify cultivation.³²² In short, overall growth rates were positive in most regions.³²³

International developments partly explain the agricultural commercialisation in India. During the Long Depression between 1873 and 1896, the growth of capital and labour productivity, and the rate of capital formation slowed significantly in Britain.³²⁴ Lower rates of British productivity and consumption could threaten the structure of world trade due to Britain's pivotal role in the global market – British imports and investment could boost growth in many regions of the world. As a result, Indian peasants were roped in to maintain the existing system while Britain suffered from the Long Depression.³²⁵ India's large balance of trade surplus became a component in maintaining Britain's world-scale processes of capital accumulation in the City.³²⁶ Britain earned huge surpluses in its trade with India and China, helping Britain to maintain deficits with the United States, Germany and the white Dominions. In fact, it could be argued that Britain's surplus with Asia enabled Britain's free trade policy and its trading partners' high rate of industrialisation. The United States and industrial Europe could maintain their tariff barriers thanks to Britain's surplus with Asia.³²⁷ Nevertheless, it is important to acknowledge that the global trade system may be not so simplistic. Scholars such as Berrick Saul have shown that global trade networks are not quite as straight forward and does not represent a zero-sum system. India's surplus cannot simply be said to have transferred wealth to Britain and its trade partners.³²⁸ In short, Britain's use of India's trade surplus may only partly explain India's agricultural commercialisation.

³¹⁹ Chaudhary et al., *A New Economic History of Colonial India*, 103.

³²⁰ Ibid.

³²¹ Ibid., 104.

³²² Ibid., 105.

³²³ Roy, *Economic History of India, 1857-1947*, 143–45.

³²⁴ Y Goo Park, "Depression and Capital Formation: The United Kingdom and Germany, 1873-1896," *Journal of European Economic History* 26, no. 3 (1997): 511, 516.

³²⁵ Davis, *Late Victorian Holocausts: El Niño Famines and the Making of the Third World*, 57.

³²⁶ Giovanni Arrighi, *The Long Twentieth Century: Money, Power, and the Origins of Our Times* (London and New York: Verso, 1994), 262.

³²⁷ A. Latham, *The International Economy and the Undeveloped World, 1865-1914* (London: Croom Helm, 1978), 70.

³²⁸ Berrick Saul, *Studies in British Overseas Trade, 1870-1914* (Liverpool: Liverpool University Press, 1960).

Aggregate commercialisation was rather small, despite some figures showing a steady growth rate of agricultural production, primary product exports, and rising prices. The rise in agricultural production was mainly due to the rise in land area use.³²⁹ For instance, the average growth rate of crop output was only 0.37%.³³⁰ In other words, the Indian agricultural sector was not experiencing efficiency and productivity gains.

There are several explanations for the lack of efficiency gains. The most popular explanation is the high, strictly enforced land taxes imposed by the British East India Company and later the imperial administration, which dis-incentivised peasants to increase output.³³¹ Furthermore, investments to increase agricultural productivity were difficult when peasants were forced to borrow from money-lenders, *bania*, to pay their taxes when their yields were insufficient.³³² For instance, tax collection began by impounding village grain stocks in the Bombay Deccan in the 19th century forcing the peasants, *ryots*, to borrow money to pay their taxes, so that they could eat from their own harvest. To make matters worse, the moneylenders would buy the crop at half the market price but lent money at interest rates of 38%.³³³ The peasants with the necessary capital accumulation to invest into new agricultural techniques were thus instead incentivised to go into moneylending as it yielded higher profits. There were at least 500,000 moneylenders by the 1870s, becoming intermediaries between the village, Calcutta and Manchester.³³⁴ By 1895, a fifth of the land in the Bombay Deccan was owned by moneylenders, mostly indigenous Brahmins and Marwaris from Rajasthan, despite the Acts to prevent land transfers (see below). Some scholars therefore conclude that the high inflexible taxes prohibited capitalist farming or commercial agriculture from developing.³³⁵

³²⁹ Chaudhary et al., *A New Economic History of Colonial India*, 108; Roy, *Economic History of India, 1857-1947*, 105.

³³⁰ Roy, *Economic History of India, 1857-1947*, 105.

³³¹ Guha, "Raw Cotton of Western India: 1750-1850"; David A Washbrook, "Progress and Problems: South Asian Economic and Social History c. 1720-1860," *Modern Asian Studies* 22, no. 1 (1988): 57-96; Bagchi, "Deindustrialization in Gangetic Bihar 1809-1901"; Neil Charlesworth, *Peasants and Imperial Rule: Agriculture and Agrarian Society in the Bombay Presidency 1850-1935*, vol. 32 (Cambridge: Cambridge University Press, 1985); Davis, *Late Victorian Holocausts: El Niño Famines and the Making of the Third World*; Abdul Momin Chowdhury, *Dynastic History of Bengal, c.750-1200 A.D.* (Dacca: Asiatic Society of Pakistan, 1967).

³³² Amiya Kumar Bagchi, *Private Investment in India, 1900-1939* (Cambridge: Cambridge University Press, 1972), 6, 38; Davis, *Late Victorian Holocausts: El Niño Famines and the Making of the Third World*, 67.

³³³ Guha, "Raw Cotton of Western India: 1750-1850," 27, 70.

³³⁴ Davis, *Late Victorian Holocausts: El Niño Famines and the Making of the Third World*, 64; Washbrook, "Progress and Problems: South Asian Economic and Social History c. 1720-1860," 20.

³³⁵ e.g. Chowdhury, *Dynastic History of Bengal, c.750-1200 A.D.*, 318-20. For further discussion on land reform and especially Dutt's theory on its impact on tax collection and in turn on Indian development, see chapter 5.

However, recent scholarship has found that the real rate of tax actually decreased in India during the 19th century. Land taxes were about 10% of agricultural output in the 1860s, and continually decreased into the 20th century.³³⁶ There are consequently additional, perhaps more plausible, explanations for the slow aggregate agricultural commercialisation. Firstly, restrictions on land transfers made it difficult to acquire more land to increase economies of scale.³³⁷ The imperial administration had implemented legislations to limit land transfers due to the high frequency of peasants defaulting on loans – e.g. the Deccan Act of 1875, the Bengal Tenancy Act of 1885 and the Punjab Land Alienation Act of 1900. India's first land reform, the Bengali Permanent Settlement implemented by the British East India Company in 1793, outsourced the collection of taxes to the landlords, *zamindars*. This land reform was followed by two different iterations: the *Ryotwari* settlement in Madras and the Mahalwari settlement in the north-western provinces in the 1820s and 1830s. The former had the British East India Company collect taxes directly from the peasants. The latter reform gave the responsibility of collecting taxes to the village headman, Lambardar. The Deccan Act was implemented following the 1875 anti-bania riots in Deccan, when the peasants were frustrated about the dominance of moneylenders and the overall impoverishment that the moneylenders caused the peasants with high interest rates and ability to buy the harvest at low prices. The Bengal Act was also implemented following a riot caused primarily by the famine of the 1870s – see below for more discussion on the famines.³³⁸ Secondly, some areas suffered from poor quality of land. Land was especially of poor quality in areas where overcrowding caused by deindustrialisation had increased land use substantially.

Thirdly, only some regions could effectively gain from growth in exports, while others did not, translating into low efficiency gains and agricultural commercialisation on the aggregate level.³³⁹ While cash crop regions experienced high growth and showed signs of increased standards of living, other regions with poor irrigation were hindered from producing higher yields and from expanding industrial or commercial agriculture.³⁴⁰ Irrigation systems had started to collapse by the 1830s and 1840s because the imperial administration failed to provide investment for the restoration and maintenance of irrigation works damaged during the period

³³⁶ Chaudhary et al., *A New Economic History of Colonial India*, 102.

³³⁷ Roy, *Economic History of India, 1857-1947*, 105.

³³⁸ (Chaudhary et al., *A New Economic History of Colonial India*, 102.).

³³⁹ Elizabeth Whitcombe, *Agrarian Conditions in Northern India: The United Provinces Under British Rule, 1860-1900*, vol. 1 (Berkeley: University of California Press, 1971); David Hardiman, "The Politics of Water in Colonial India," *South Asia: Journal of South Asia Studies* 25, no. 2 (August 2002): 115; Roy, *Economic History of India, 1857-1947*, 104.

³⁴⁰ Whitcombe, *Agrarian Conditions in Northern India: The United Provinces Under British Rule, 1860-1900*.

of British conquests.³⁴¹ The main type of irrigation infrastructure in India was wells, which proved insufficient.³⁴² The imperial budget prioritised railway construction over effective irrigation systems. Some scholars suggest that railways were favoured over irrigation because railways had higher profits, but not enough research has been done.³⁴³ Some improvement in irrigation was seen in the 1850s and 1860s when the British set up a centralised system to construct irrigation works. For instance, inundation and perennial canals were built between 1870 and 1920, enabling more land to get access to water. Nine canal colonies were built collectively irrigating over 10 million more acres. Yet, the projects were confined to Punjab, Sind, coastal Andhra and western Uttar Pradesh³⁴⁴ and the centralisation of irrigation construction actually destroyed existing systems of water harvesting.³⁴⁵ Poor irrigation caused slow aggregate agricultural commercialisation in India.

In short, there was timid growth in commercial agriculture, while total agricultural productivity increases were almost nonexistent. Regional inequalities were exacerbated as some areas benefitted from the increased international demand thanks primarily to better quality of land, irrigation and transport links, while other areas either stagnated or worsened. Stagnation was particularly seen in areas hit worst by the droughts in the last decades of the 19th century, triggering some of the worst famines in Indian history.

Severe Famines

India suffered from two extremely severe famines in 1876-1878 and 1899-1900 with a high death toll. More precise figures find that the earlier famine reduced Bengal's population by a third and 10% of the total Indian population.³⁴⁶

Why did India experience such severe famines in the late 19th century? Many Indian Economists blamed the lack of increasing agricultural productivity, and high, inflexible and fluctuating land tax that prevented peasants from accumulating savings to consume during poor

³⁴¹ Hardiman, "The Politics of Water in Colonial India," 113.

³⁴² Chaudhary et al., *A New Economic History of Colonial India*, 109.

³⁴³ Ibid., 109–10.

³⁴⁴ Ibid., 104.

³⁴⁵ Whitcombe, *Agrarian Conditions in Northern India: The United Provinces Under British Rule, 1860-1900*, 1:64–97; Hardiman, "The Politics of Water in Colonial India," 115; Rohan D'Souza, "Water in British India: The Making of a 'Colonial Hydrology,'" *History Compass* 4, no. 4 (2006): 623; David Mosse, "Rule and Representation: Transformations in the Governance of the Water Commons in British South India," *The Journal of Asian Studies* 65, no. 1 (2006): 61–90; Anil Agarwal and Sunita Narain, *Dying Wisdom: Rise, Fall and Potential of India's Traditional Water Harvesting Systems* (New Delhi: Centre for Science and Environment, 1997).

³⁴⁶ Maddison, "The Historical Origins of Indian Poverty," 63. Additionally, there was an outbreak of bubonic plague in 1890s (Ibid., 62.).

yields. The Indian Economists observed that European countries did not have such devastating famines when they experienced droughts – see chapter 4 for more discussion on famines.³⁴⁷ The lack of aggregate efficiency gains, as discussed above, did hinder the emergence of capitalist farming in India on a large scale. However, Smith and Marx as well as more contemporary scholars have identified more convincing arguments by focusing on the impact of modernisation in India rather than the lack of modern techniques.³⁴⁸ This body of literature finds that India's increasing exposure to globalisation generated the higher death tolls during famines.

Globalisation made Indian peasants more vulnerable. India's expanding integration into the global market meant that peasants in villages that exported raw materials were increasingly more affected by economic booms and recessions.³⁴⁹ Indeed, there is little evidence that rural parts of pre-imperial India suffered from famines to the same scale as the famines during both the British East Indian Company and formal British imperial rule. Late 19th century globalisation was forced upon India by the British, exporting famine to the peasants via price inflation in otherwise grain abundant areas.³⁵⁰

The late 19th century Indian famines should not be associated with a lack of modernisation. Historical studies challenge the widely accepted discourse that India was famine and generally poverty stricken due to a lack of modernisation. Indian famines resulted from modern, not traditional, structures of formal or informal imperialism.³⁵¹ Economic impoverishment correlates with agricultural commercialisation and modern infrastructure.³⁵² For instance, the Suez Canal and the invention of steam shipping dramatically reduced transport costs of bulk commodity exports from the subcontinent, incentivising the production of monocultures for exports. For instance, cotton, wheat, indigo, rice and opium were grown on

³⁴⁷ Joshi, *Writings and Speeches of G.V. Joshi*; Ray, *Indian Famines - Their Causes and Remedies*, 78; Naoroji, *Poverty and Un-British Rule in India*, 656; Iyer, *Speeches and Writings*. Mukerjee 1967, Banerjee in Indian National Congress, 683,

³⁴⁸ Smith, *An Inquiry into the Wealth of Nations*, 527; Karl Marx, "British Rule in Tribune," *New-York Daily Tribune*, June 25, 1853; Amartya Sen, *Poverty and Famines: An Essay on Entitlement and Deprivation* (Oxford: Oxford University Press, 1981); Chetan Singh, "Forests, Pastoralists, and Agrarian Society in Mughal India," in *Nature, Culture, Imperialism: Essays on the Environmental History of South Asia*, ed. David Arnold and Ramachandra Guha (New Delhi: Oxford University Press, 1995); Tim Dyson, "Indias Historical Demography: Studies in Famine Disease and Society," in *India's Historical Demography: Studies in Famines, Disease and Society*, ed. Tim Dyson (London: Curzon Press, 1989), 150–96; David Hardiman, *Peasant Resistance in India, 1858-1914*, ed. David. Hardiman (New Delhi: Oxford University Press, 1992); Sarkar, *Modern India 1886-1947*; Beckert, *Empire of Cotton: A Global History*.

³⁴⁹ Davis, *Late Victorian Holocausts: El Niño Famines and the Making of the Third World*.

³⁵⁰ *Ibid.*, 52.

³⁵¹ *Ibid.*, 54.

³⁵² Satya, *Cotton and Famine in Berar, 1850-1900*; Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*.

millions of acres on the aggregate level that had previously been for subsistence agriculture in India.

Indian farmers were rapidly forced to produce cotton to supply British excess demand, as American cotton mills were unable to supply its total demand during their civil war. By the 1860s, cotton became the most important input in one of the world's biggest manufacturing industries.³⁵³ For instance, the Cotton Supply Association, part of the Manchester Chamber of Commerce, decided to set up cotton monocultures in Berar and Nagpore in the Marathi provinces.³⁵⁴ The 1899-1900 famine caused 143,000 Beraris to starve to death, yet thousands of bales of cotton were exported.³⁵⁵

Additionally, the British prioritized wheat production due to the 1870s agricultural crisis in Britain. Aggregate numbers show a rapid increase in wheat production: annual grain exports increased from 3 to 10 million tonnes between 1875 and 1900, equalling the annual nutrition of 25 million people, during a period which included some of the worst famines in Indian history.³⁵⁶ More cash crops, monocultures and food exports meant that India was no longer self-sufficient in food. Famines consequently spread ever quicker and with greater intensity.

Higher unemployment rates also caused more severe famines. There was not enough employment for Indians to earn money to feed themselves when weather conditions worsened. Again, like the lack of food production noted above, decreasing employment was caused by greater international competition that had dislocated Indian workers. British-made textiles flooded the Indian market to clothe the imperial army during the Indian Mutiny, flows which continued to grow thereafter. British textile exports to India increased from 60 million yards of cotton goods in the 1830s to 968 million yards in 1858, and to over a billion by 1870.³⁵⁷ Globalisation instigated agricultural production of cotton, imposed grain exports and higher unemployment. As a result, death tolls unsurprisingly increased during years of poor yields.

Similarly, Sen argues that Indians did not lack a supply of food, but rather a lack of access to food. He uses the nonconventional exchange entitlement approach, which focuses on ownership and exchange, rather than total food supply. The approach looks at a societal group's ability to legally acquire food through exchange and/or production. His research concludes that

³⁵³ Beckert, *Empire of Cotton: A Global History*.

³⁵⁴ Satya, *Cotton and Famine in Berar, 1850-1900*, 50, 155.

³⁵⁵ *Ibid.*, 281-82, 296.

³⁵⁶ Dietmar Rothermund, *An Economic History of India: From Pre-Colonial Times to 1991* (London and New York: Routledge, 1988), 36; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:48.

³⁵⁷ Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 321.

more often than not, the food supply does not significantly reduce during famines, if at all. Sen finds greater correlation between famines and reductions in exchange entitlements than between famines and reduced overall food supply.³⁵⁸ India's late 19th century non-democratic political system meant that famines became more severe. Indeed, the Indian independent democratic state has yet to see such a deadly famine. It is rather the inappropriate government policies during the famines that caused the high death toll, than the lack of modernisation in the Indian economy.

In sum, the late 19th century witnessed a large decline in the size of the indigenous industrial sectors with a proportionately low growth in large-scale modern industries – mainly in cotton and jute. Additionally, the Indian agricultural sector commercialised. However, as significant portions of the population moved into the agricultural sector, productivity declined and regional inequalities became more pronounced. In turn, these developments caused ever severe famines during the droughts of the late 19th century. The high death tolls from the famines further exacerbated existing forces, preventing sustainable and rapid industrial growth by reducing domestic demand and production. Despite the obvious complexity and heterogeneity of the Indian sub-continent during the late 19th century, it is clear that the Indian masses lived in extreme poverty. The various discourses on Indian progress and development emerged within this multispatial context of overall poverty.

Moral and Material Progress: the multidiscursive context, 1858-1905

India was considered different, chaotic and disorderly, enabling early 19th century intellectuals and imperial employees to define imperial rule as a civilising mission – e.g. Edmonde Burke,³⁵⁹

³⁵⁸ Sen, *Poverty and Famines: An Essay on Entitlement and Deprivation*.

³⁵⁹ For instance, Burke's agenda at the impeachment trial of Warren Hasting, the first Governor-General of India, was to determine the legitimacy of imperial rule, and to secure a method that would govern India well (Edmund Burke, "Speech on Fox's India Bill," 1 December 1783, quoted in Edmund Burke, *The Writings and Speeches of Edmund Burke, Vol. 5: India: Madras and Bengal: 1774–1785*, ed. P. J. Marshall and William B. Todd, vol. 5, India: Madras and Bengal: 1774–1785 (Oxford: Oxford University Press, 1981), 383.). Burke linked imperial legitimacy with the establishment of legal institutions, setting the stage for the later generation of reformers such as James and Charles Grant. Similarly, the later generation assumed that the Empire should implement a good government in India (Pramod K. Nayar, *Colonial Voices: The Discourses of Empire* (Chichester: John Wiley & Sons, 2012), chap. 5.). For interpretations of Burke's works, see Frederick G. Whelan, *Edmund Burke and India: Political Morality and Empire* (Pittsburgh: University of Pittsburgh Press, 1996); Uday Singh Mehta, *Liberalism and Empire: A Study in Nineteenth-Century British Liberal Thought* (Chicago: University of Chicago Press, 1999); Sunil M. Agnani, *Hating Empire Properly: The Two Indies and the Limits of Enlightenment Anticolonialism* (Oxford: Oxford University Press, 2013); Jennifer Pitts, *A Turn to Empire: The Rise of Imperial Liberalism in Britain and France* (Princeton: Princeton University Press, 2005), chap. 3; Richard Bourke, *Empire and Revolution: The Political Life of Edmund Burke* (Princeton: Princeton University Press, 2015).

J.S. Mill, Charles Grant³⁶⁰ and Thomas Babington Macaulay.³⁶¹ India needed Western trusteeship to implement a plan for development, in order to eventually be self-ruled. The civilising mission³⁶² had its own discourse of reform, rescue, and moral and material progress. The dominant discourse of the civilising mission constructed the contexts, justification and ideological foundations for imperial interventions in India. Such a discourse of improvement greatly helped to legitimise imperial rule.³⁶³

The imperial administration disseminated the civilising mission primarily through J. Mill's *History of British India* – a core text for all Indian civil servants. J. Mill read accounts of chaos and disorder in India's legal system and social relations. Imperialism, J. Mill claimed, would civilise the half-civilised natives of India, simultaneously justifying British imperial rule.³⁶⁴ Yet, the context within which the accounts were written is noteworthy. J. Mill's narrative of India's chaotic and brittle legal structure, and social relations was based on accounts written by British officers, specifically judges and revenue collectors, clergymen and surveyors who complained of disorder and the vulnerable British power in India. The accounts were written in moments of crisis during, for example, disputes over revenue collection or arguments in court. J. Mill used Francis Buchanan's account of Kanara after the Anglo-Mysore war when writing about Indian agriculture, and his understanding of Indian property rights came from a judicial official in Bengal. J. Mill failed to see that these were moments of chaos and disorder, not necessarily the norm, and that the British actions intensified the disorder.³⁶⁵ The British interlocutors and their discursive practices, although perhaps mistaken, created the necessary discourse to give legitimacy to the Empire.

The civilising mission was constructed after or during moments of imperial critique. India's difference and disorder, and hence need for Western input to progress could have been discursively constructed as an *afterthought*, at every instance of revolt against Indian

³⁶⁰ Grant (1746-1823) was a British politician and served as Chairman of the British East India Company, arguing for social reform and the Christian mission in India.

³⁶¹ Macaulay (1800-1859) was a British historian and politician. He became the first Law Member of the Governor General's Council and served on the Supreme Court in India from 1834-1838. He is most well-known for his part in the educational policies in India, to be discussed below.

³⁶² As the Resolution of the English Parliament, May 14, 1793, said "it is the peculiar and bounden duty of the Legislature to promote, by all just and prudent means, the interests and happiness of the inhabitants in India; and that for these ends, such measures ought to be adopted as may gradually tend to their advancement in useful knowledge, and to their religious and moral improvement". For a historiography of the origins of imperial improvement discourse, see Nayar, *Colonial Voices: The Discourses of Empire*, chap. 5.

³⁶³ Ibid.

³⁶⁴ Ibid.

³⁶⁵ Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 202.

imperialism. Wilson's latest archival and historical study shows how imperial discursive practices around the civilising mission emerged in moments of crisis and critique. Two particularly important insistences during my period of study are the Indian revolt, or the Indian Mutiny, of 1857-1858, and the British critique of imperialism in the 1870s and 1880s. Both illustrate the intertextual and ideological contexts within which my protagonists found themselves. The British imperial project and its role in bringing progress to India by implementing a plan of development was repeatedly critiqued and contested. The contestation forced the imperial administration to find new ways to preserve their presence in the subcontinent through discourse, which prescribed new types of imperial intervention.

Firstly, the Indian revolt of 1857-1858 brought about two particularly important discourses. The Indian Mutiny set in motion a particular emphasis on the need for public infrastructure and a legal system in India to incentivise Indians to work. While war was raging in India, J.S. Mill, the senior examiner for correspondence for the British East Indian Company in London at the time, drafted an essay to advocate for keeping the Company. His "Memorandum of the Improvement of the Administration of India during the Last Thirty Years" clearly conveyed how the British power had brought "improvement" to "the physical and mental condition of the inhabitants."³⁶⁶ The essay was circulated to the British Members of Parliament. The memorandum argued that the Company had achieved improvement through three main developments. First, low and fair taxes had been achieved by limiting the government's right to extract resources from Indian society. Second, the Company had maintained law and order, and third, had improved public infrastructure.³⁶⁷ J.S. Mill employed a *laissez-faire* rhetoric – i.e. low taxes and a legal system were efficient to secure industrial profits and incentivise people to work. Yet, like his father J. Mill, J.S. Mill argued that India was too poor to construct necessary infrastructure through private enterprise, as was done in England. Instead, Indian industry needed government aid.³⁶⁸ The emphasis on public financed infrastructure in India marked the peculiarity of liberalism during this time.

J.S. Mill's Memorandum on the Company's achievements in India pre-1857 formed the basis for the imperial approach to follow. As of 1861, the government published the *Moral and Material Progress* periodical listing the physical improvements in India.³⁶⁹ Each report included a list of new laws passed, some information on finance, the Post Office, telegraphs, steamships,

³⁶⁶ Quoted in Ibid., 286.

³⁶⁷ Ibid., 287.

³⁶⁸ Ibid.

³⁶⁹ Nayar, *Colonial Voices: The Discourses of Empire*, chap. 5; Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 288.

public works and the Indian geological department. The order of importance seemed to go from physical infrastructure and public works, and then education. It is clear that education was not ranked high on the list of priorities: the first report stated that 1,032,021 rupees or £68,800 in Bengal had gone to education, which was about the same as the amount given to army barracks.³⁷⁰ With little access to statistics on the Indian economy, progress was equalled to the official transactions made by the imperial administration – such as expenditure on roads, irrigation and barracks, the pace of railway construction and the increase in letters sent by the post office.³⁷¹ Consequently, the Government of India started to both minutely record their expenditure on public works and the legal system, and to increase their investment in such projects.³⁷² In sum, these reports, read by the Indian Economists,³⁷³ created the dominant discourse on what progress and development entailed in India.

The second discourse triggered by the Indian Mutiny concerned the trajectory of British discursive practices around imperial legitimacy. To some extent, the civilising mission pre-1857 centred on universalist progress and development. The British could and should help Indians to assimilate the progressive ways of the British.³⁷⁴ However, the events of 1857-1858 had the British questioning why the Indians were unsatisfied with imperial rule. Rather than question whether the imperial mission had failed, imperial discourse claimed that the uprising was caused by Indian resistance to modernity, universal norms of civilisation, progress and development.³⁷⁵ Imperial rule was now considered necessary to protect and rejuvenate native society from dissolution, rather than to civilise India according to Britain's experience of progress.³⁷⁶ Indian native society was deemed to be suffering from internal conflicts and exposure to modernisation because it was politically and economically irrational and static.³⁷⁷ As a result, the idea of improving India to prepare it for self-rule was to a certain degree forgotten among the imperial administration after 1858 and only returned in the early 20th century to

³⁷⁰ Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 288.

³⁷¹ From 224,000 letters in 1855 to 556,000 in 1860 (*Ibid.*, 289.).

³⁷² For example, irrigation, railways, the Suez Canal. For more discussion on public works, see chapter 4 and *Ibid.*, 289–92.

³⁷³ Naoroji, in particular, cited the imperial reports on Indian moral and material progress, critiquing their measurement techniques – see chapters 3–5 for further discussion.

³⁷⁴ As Cain argues, the British believed that they were bringing ordered liberty to India (Peter J. Cain, “Character, ‘Ordered Liberty’, and the Mission to Civilise: British Moral Justification of Empire, 1870–1914,” *The Journal of Imperial and Commonwealth History* 40, no. 4 (2012): 557–78.).

³⁷⁵ Karuna Mantena, *Alibis of Empire: Henry Maine and the Ends of Liberal Imperialism* (Princeton: Princeton University Press, 2010), 9.

³⁷⁶ *Ibid.*, 11.

³⁷⁷ *Ibid.*, 15.

respond to nationalism. The imperial administration partially shifted from a universalist to a culturalist approach, which aimed to preserve Indian society the way it was.

Maine's *Ancient Law* and *Village-communities in the East and West* is the most significant discourse within the shift.³⁷⁸ Maine was a highly visible member of the imperial administration, a famous scholar of Indian law and society, and one of the most important interlocutors on imperial ideology.³⁷⁹ *Ancient Law* theorised an inherent link between society and law. To sustain progress, law should be harmonised with the state of society.³⁸⁰ *Village-communities in the East and West* theorised that private property emerged out of communal property.³⁸¹ Ancient society was held together, apolitically, with status or stable bonds of customs and structures of kinship, whereas modern society was held together by formal contracts.³⁸² Maine's theory was essentially dualistic, labelling some societies as traditional and others as modern.³⁸³

Village communities were at the centre of Maine's analysis. Indian village communities served as an example of an earlier mode of society and should therefore be analysed to understand how and why society moves from status to contract.³⁸⁴ Furthermore, Maine, as well as earlier members of the imperial administration – e.g. Sir Charles Metcalfe, Thomas Munro and Mountstuart Elphinstone – were keen to understand why and how village communities were disintegrating at the beginning of the 19th century. Although the breakdown of such

³⁷⁸ Maine was the founder of both anthropology and sociology to understand different social practices through the theory of social evolution. The discovery of Africa and Asia meant that intellectuals struggled with the observed differences between populations of different regions. Comparing different regions became important in attaining scientific certainty with a universal scope. Researchers attempted to theorise how and why some countries had industrialised, only possible through comparing those countries' social formations with others. Two of the most ambitious analyses in this area took place in social evolution and anthropology (Ibid., 12–13.).

³⁷⁹ Ibid., 3.

³⁸⁰ Henry Maine, *Ancient Law* (London: John Murray, 1861). See also Mantena, *Alibis of Empire: Henry Maine and the Ends of Liberal Imperialism*, 105.

³⁸¹ Henry Maine, *Village-Communities in the East and West: Six Lectures Delivered at Oxford*, vol. 15 (London: John Murray, 1895).

³⁸² According to Maine, ancient law, in contrast to modern, started with particular decrees and slowly expanded into sets of customary observances. The first stage of law consisted of commands from the ruler, which were arbitrary because they did not refer to universal norms. The second stage, customary law, happened as an aristocratic class emerged and monopolised knowledge of traditional rules – which became embedded into practices and were only legitimised through tradition and precedence. They were ritualistic and formal, and unwritten. When they were eventually written into ancient codes, the spontaneous development of law ended (Mantena, *Alibis of Empire: Henry Maine and the Ends of Liberal Imperialism*, 103.).

³⁸³ Maine, *Village-Communities in the East and West: Six Lectures Delivered at Oxford*. See also Mantena, *Alibis of Empire: Henry Maine and the Ends of Liberal Imperialism*, 14.

³⁸⁴ Mantena, *Alibis of Empire: Henry Maine and the Ends of Liberal Imperialism*, 138.

regressive socio-economic structures was inevitable, Maine concluded that the 1857-1858 Indian unrest proved that the dissolution had been accelerated by imperial rule.³⁸⁵

Maine's theory was based on a different history of property rights than the histories that preceded it. He conceptualised an historical sequence where property was originally communal and eventually divided to become individually based. Private property rights, Maine argued, were subsequently progressive.³⁸⁶ Additionally, he theorised that the timing of when customary laws became ancient codes, i.e. written, had a profound effect on legal progress. Successful codification therefore became the factor that distinguished progressive and stationary societies. Codification was not immanent or inevitable, it depended on a political transformation or revolution, which shifted power from the divine kinship to aristocracies. The evolution from status to contract had failed to emerge in India, because Hindu law had been written too late. Maine's discourse portrayed a model of distorted and arrested development in which a religious aristocracy had managed to impose traditional and customary order. The imperial administration prioritised the most ancient interpretations of the Hindu code. As a result, the interaction between the British justice system and the ancient Hindu law system led to a legal code that overemphasised native rules and customs. Ritual formalities and adherence to religious texts were incorporated into the legal code, creating irrational norms and practices, such as caste.³⁸⁷ As Maine wrote, "native rules hardened, and contracted a rigidity which they never had in real native practice."³⁸⁸ Maine therefore prescribed that the imperial administration needed to preserve native society until India was ready to shift to progressive contractual law.

Maine's new interpretation of legal progress initiated a discursive shift, arguing that India, as well as countries like Ireland, could not *yet* accommodate universal forces of progress such as private property rights. The discourse essentially undid Classical Political Economy. While J.S. Mill's earlier *Principles of Political Economy* had prescribed private property rights for India, because customary or status law hindered progress, Maine's discourse disseminated the idea that the principles of political economy ignored the multifaceted local factors of obstruction found in India.³⁸⁹ As a result, dominant figures including J.S. Mill, Sir Charles

³⁸⁵ Ibid., 121.

³⁸⁶ Maine, *Village-Communities in the East and West: Six Lectures Delivered at Oxford*. See also Mantena, *Alibis of Empire: Henry Maine and the Ends of Liberal Imperialism*, 119.

³⁸⁷ Maine, *Village-Communities in the East and West: Six Lectures Delivered at Oxford*. See also Mantena, *Alibis of Empire: Henry Maine and the Ends of Liberal Imperialism*, 104, 121.

³⁸⁸ Cited in Mantena, *Alibis of Empire: Henry Maine and the Ends of Liberal Imperialism*, 108.

³⁸⁹ Ibid., 146–47.

Wood³⁹⁰ and Sir George Campbell³⁹¹ identified custom, the peculiar logic of India, as the new axiom of imperial policy.³⁹² By 1870, the difference between India and the West had essentially become synonymous with the difference between custom and political economy.

Maine's thesis also shifted the course of imperial policies. India did not seem to be ready for modern institutions.³⁹³ Accordingly, as mentioned earlier, the Queen's proclamation of 1858 declared a principle of non-interference in native religious beliefs and customs.³⁹⁴ The policy debates that followed centred on whether private property rights should be implemented in rural areas. A full discussion on the dialogue that took place between British officials and the Indian Economists, especially Dutt, will follow in chapter 4. It will suffice to note here that the Indian revolt of 1857-1858 instigated a partial shift in imperial discourse from a universalist to culturalist idea of progress, which, to an extent, transformed imperial policy from implanting Western ideals of progress to preserving the Indian socio-economic structure.³⁹⁵

The second important instance of imperial critique during my period of study started in the late 1870s when several British interlocutors condemned the cost and violence of Indian imperialism.³⁹⁶ Britain was overstretching its power over Asia with the Afghanistan and Burma wars, triggering another round of debates over the Empire's legitimacy. The criticism came to the forefront during the 1880 general election when William Ewart Gladstone campaigned against the conservative government's "dangerous" and "impractical" imperial policy.³⁹⁷ The critique resulted in a relabelling of the British Empire. The Empire was now branded as the *Pax Britannica* – a term that literally means British peace. It denotes a period of relative peace between the major global powers attributed to Britain's role as a global police force from the end of the Napoleonic wars in 1815 to the start of the First World War in 1914.³⁹⁸

³⁹⁰ Wood (1800-1885) was a British politician and President of the Board of Control of the British East India Company. He is most well-known for his despatch of 1854 initiating the establishment of universities in India – to be discussed in detail below.

³⁹¹ George Campbell (1824-1892) was a Scottish politician and Indian administrator. For instance, he was Lieutenant-Governor of Bengal from 1871 to 1874.

³⁹² Andrew Sartori, *Bengal in Global Concept History: Culturalism in the Age of Capital* (University of Chicago Press, 2008), 97.

³⁹³ Mantena, *Alibis of Empire: Henry Maine and the Ends of Liberal Imperialism*, 90, 120, 131.

³⁹⁴ *Ibid.*, 4.

³⁹⁵ The same principle of non-intervention was applied to Ireland (*Ibid.*, 145–47.).

³⁹⁶ Imperial criticism from Britain had also occurred before: for every British despotism in India, there was a liberal critique from the British society. For examples, see Ganguli, *Indian Economic Thought: Nineteenth Century Perspectives*; Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 209.

³⁹⁷ Quoted in Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 296.

³⁹⁸ *Ibid.*; Douglas M. Johnston, *The Historical Foundations of World Order: The Tower and the Arena* (Leiden: Brill, 2007), 508–10.

Historians have often mistaken the *Pax Britannica* label as a sign of British confidence during a flourishing period of imperial rule. Recent archival research has found the opposite.³⁹⁹ There are several examples that show British uncertainty and weakness in the subcontinent. First, Sir Richard Temple's *India in 1880* described the various major problems and responsibilities faced by the imperial project. In the third edition of the book, Temple listed fifty-three specific problems that threatened British rule in India focusing on the Indian "dissatisfaction," "discontent" and "hostility" towards the British.⁴⁰⁰ Second, Sir William Hunter claimed that Britain was on trial again in his book *England's Work in India*.⁴⁰¹ *Pax Britannica* was yet another attempt on the part of the imperialists to justify and hence maintain British power over India. Imperialism had a circular logic – the purpose of imperial power was just to sustain imperial power – not to civilise India or create global peace.⁴⁰² Both British and Indian interlocutors exposed the hypocrisy, which, to be discussed in chapter 5, forms a part of Indian Economics' idea of development.

Nevertheless, there is a vital part missing in the narrative of the shift from universalist to culturalist. While the imperial interlocutors were less likely to claim that imperial policies could progress India along Western, modern or liberal lines post-1858, a growing educated and elite class of Indians were starting to advocate for a universalist approach. Imperial universities were established in the mid-1800s to teach Indians about Western knowledge. The first generation of graduates, including many of the Indian Economists, started to prescribe the opposite of a culturalist approach. The Indian Economists argued that if appropriate policies were implemented, India could progress to the same level as Britain.⁴⁰³ To some extent then there was an Indian-British divide as to how India could and should move forward. In many ways, the divide was thanks to the imperial educational institutions, which imposed modern ideas, theories and ways of meaning onto a growing Indian educated middle and elite class that produced, for example, Indian Economics.

Western knowledge was primarily disseminated through education in India. The dissemination of such knowledge gained traction first in the 1830s with a heated debate between

³⁹⁹ Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*.

⁴⁰⁰ Quoted in *Ibid.*, 297.

⁴⁰¹ William Wilson Hunter, *England's Work in India* (London: Smith, Elder, 1881). For further discussion on the rise of anti-imperialism during the late 19th century, see chapter 5, as well as Bernard Porter, *Critics of Empire: British Radicals and the Imperial Challenge* (London: IB Tauris, 2007); Mira Matikkala, *Empire and Imperial Ambition: Liberty, Englishness and Anti-Imperialism in Late-Victorian Britain* (London: I.B. Tauris, 2011).

⁴⁰² For instance, the British tax collectors in India often wondered what the taxes were ultimately for (Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*).

⁴⁰³ Chapters 3-5 analyse these arguments in detail.

the Anglicists and Orientalists. The Anglicists argued that Indian schools should be taught in English and spread Western knowledge, while the Orientalists advocated for vernacular language and Oriental forms of knowledge instruction.⁴⁰⁴ The Anglicists, who ultimately won the debate, claimed that English education would civilise native Indian society. The group was led by Macaulay, the Secretary to the Board of Control under Lord Grey, 1832-1833, and a leading reformer in transforming the Indian education system.⁴⁰⁵ His *Minute on Indian Education* of February 1835 argued that only English should be taught in Indian schools along with the teaching of useful learning – synonymous with Western education according to Macaulay.⁴⁰⁶ Subsequently, as of 1835, the Indian imperial rulers promoted Western education.⁴⁰⁷ The schools conducted classes in English “in which the alphabet was taught under the same roof with classes reading Shakespeare, the Calculus, Smith’s *Wealth of Nations*, and the *Ramayana*.”⁴⁰⁸ The 1835 educational reform was only the start of the Westernisation of Indian education.

The next set of education reforms came in the 1850s. The initial despatch of 1854, sometimes labelled by the name of its author, Wood, gave instructions to the imperial administration to set up higher education and extend instruction beyond the elite Indian classes.⁴⁰⁹ It was made clear that “the education which we desire to see extended in India is that which has for its object the diffusion of the improved arts, science, philosophy and literature of Europe; in short, European knowledge.”⁴¹⁰ European or Western knowledge was to be taught to

⁴⁰⁴ For discussions on the Anglicist versus Orientalist debate, see e.g. Simonti Sen, *Travels to Europe: Self and Other in Bengali Travel Narratives* (Hyderabad: Orient Longman, 2005); Seth, *Subject Lessons: The Western Education of Imperial India*; Sartori, *Bengal in Global Concept History: Culturalism in the Age of Capital*; Christopher Alan Bayly, *Recovering Liberties: Indian Thought in the Age of Liberalism and Empire* (Cambridge: Cambridge University Press, 2011).

⁴⁰⁵ He went to India to serve on the Supreme Council of India, 1834-1838. “I see bloody and degrading superstitions gradually losing their power. I see the morality, the philosophy, the taste of Europe beginning to produce a salutary effect on the hearts and understandings of our subjects.” (Macaulay, cited in Parliament of Great Britain, *Hansard’s Parliamentary Debates*, vol. XIX (London: T.C. Hansard, 1833), 522.). For more information, see Wilson, *India Conquered: Britain’s Raj and the Chaos of Empire*, 209–15.

⁴⁰⁶ See e.g. Seth, *Subject Lessons: The Western Education of Imperial India*; Sen, *Travels to Europe: Self and Other in Bengali Travel Narratives*, 7; Bayly, *Recovering Liberties: Indian Thought in the Age of Liberalism and Empire*).

⁴⁰⁷ Syed Nurullah and Pangal Jayendra Naik, *History of Education in India during the British Period* (Bombay: Macmillan and Company, 1943), 220–23; Mani P. Kamarkar, “Impact of British Colonial Policy on Society Relating to Education in Western India During the 19th Century,” *Bulletin of the Deccan College Research Institute* 60–61 (2000): 375–78; N. Jayapalan, *History of Education in India* (New Delhi: Atlantic Publishers & Distributors, 2000).

⁴⁰⁸ “Report on Indian Education Commission,” 1882, 18. The *Ramayana* is an ancient Indian epic poem.

⁴⁰⁹ *Ibid.*, 22–23.

⁴¹⁰ Wood’s 1854 Despatch, quoted in Seth, *Subject Lessons: The Western Education of Imperial India*, 2. See also Nurullah and Naik, *History of Education in India during the British Period*, 220–23; Kamarkar,

the Indians. (Like Seth, I claim that we can bundle modern Western knowledge together in this context, despite the differentiation within it, because the different Western schools of thought share core presumptions, categories and background assumptions.⁴¹¹)

The despatch of 1859 also insisted on English instruction in higher education and European or Western knowledge, but encouraged vernacular language teaching pre-university. Vernacular instruction was important because the British East India Company worried that the educational system had failed in disseminating vernacular language learning, coinciding with the shift in imperial discourse to non-intervention and preserving Indian society. Nevertheless, the policies of the civilising mission, the rule of law, *Pax Britannica*, the public works etc. were now seen to have an additional role of educating the Indians in the ways of the West. For example, an 1897 textbook wrote that the penal code, public works, railways, irrigation, schools, post office, the telegraph and a free press were enlightening the Indians.⁴¹² In short, imperialism became a pedagogic enterprise.⁴¹³

India's first three universities of Bombay, Calcutta, and Madras were established between 1856 and 1857, soon followed by additional universities in other parts of India.⁴¹⁴ While the colleges were tasked with teaching students, the universities examined the potential graduates at the end of their degrees. The first matriculation examinations passed 219 graduates in 1857-1859, rising to 2,778 in 1881-1882.⁴¹⁵ Ranade was in the first batch of graduates from Bombay University in 1859, having studied at the Elphinstone Institution – where Naoroji had finished his studies in 1845 and where he later became Professor of Mathematics and Natural Philosophy.⁴¹⁶ Dutt took his final Arts examination in 1866 at the University of Calcutta.⁴¹⁷ The 1850s and 1860s saw the first generation of Indian graduates trained in Western political

“Impact of British Colonial Policy on Society Relating to Education in Western India During the 19th Century,” 375–76; Jayapalan, *History of Education in India*.

⁴¹¹ Seth, *Subject Lessons: The Western Education of Imperial India*, 3, 8.

⁴¹² *Ibid.*, 2.

⁴¹³ *Ibid.*

⁴¹⁴ See Nurullah and Naik, *History of Education in India during the British Period*, 218–36.

⁴¹⁵ In 1857, the universities of Calcutta and Madras passed 162 and 36 graduates in the final year examinations respectively, while Bombay University passed 21 in 1859. The number of applicants who sat the exams rose to 7,429 in 1881-1882 (*Ibid.*, 227.).

⁴¹⁶ Masani, *Dadabhai Naoroji: The Grand Old Man of India*, chap. 2; “London School of Economics Library Archives on Britain and South Asia (16-Non-ILP Print: Miscellaneous). Independent Labour Party Papers: ILP/16/1901. ‘Mahadev Govind Ranade: His Life and Career’ (Madras: G. A. Natesan and Company, Esplanade) (Pamphlet); “London School of Economics Library Archives on Britain and South Asia. Independent Labour Party Papers: ILP/8/1908/7-19. ‘Dadabhai Naoroji: A Sketch of His Life and Life-Work’ (Madras: G. A. Natesan and Company)(Pamphlet),” 1908.

⁴¹⁷ Gupta, *Life And Work Of Romesh Chunder Dutt*; Bayly, *Recovering Liberties: Indian Thought in the Age of Liberalism and Empire*.

economy that would ultimately form the members of the growing intellectual groups and political institutions, including Indian Economics, as well as other associations such as the Pune Sarvajanic Sabha, the Social and Industrial Associations, and INC.

The British educational reforms particularly helped Western liberalism to take root in India by establishing schools, universities, newspapers and imperial law courts to disseminate its theories, concepts and discursive practices.⁴¹⁸ For instance, Horace William Clift's *Elements of Political Economy* and J.S. Mill's *Principles of Political Economy* were the prescribed textbooks for history, law, politics and economics degrees at least until the end of the 19th century.⁴¹⁹ The generation of Indian graduates that emerged – the legal profession, and teaching and government bodies of universities were predominantly Indian by the 1870s and 1890s⁴²⁰ – had been taught particular ways of meaning and discursive practices that adhered to the Western dominant development discourse.⁴²¹

The graduates belonged mostly to the middle and elite classes. 60% of the educated belonged to 20% of the population and came mostly from higher castes such as Brahmins, Vaishyas and Kayasthas.⁴²² The educated were thus from relatively privileged strata of society, educated in English, and not representative of the population as a whole. The Indian Mutiny made the educated classes realise that their education had created a gulf between them and the uneducated masses.⁴²³ Movements like the Prathana Samaj led by Ranade were consequently launched to educate the masses in a combination of Western and ancient Indian ways of living – see chapter 4 for further information. The Indians themselves started to disseminate Western discursive practices.

⁴¹⁸ See e.g. Bayly, *Recovering Liberties: Indian Thought in the Age of Liberalism and Empire*; Seth, *Subject Lessons: The Western Education of Imperial India*; Sartori, *Bengal in Global Concept History: Culturalism in the Age of Capital*.

⁴¹⁹ "Maharashtra State Archives, Elphinstone College Records, Volume 9, List of Books." Cited in Khodaiji, "Formalising a Discipline: History of Economics and Economic Thought in Early-Twentieth Century India."

⁴²⁰ John Gallagher, Gordon Johnson, and Anil Seal, *Locality, Province, and Nation: Essays on Indian Politics 1870 to 1940* (Cambridge: Cambridge University Press, 1973), 10; Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 309.

⁴²¹ Bayly, *Recovering Liberties: Indian Thought in the Age of Liberalism and Empire*; Sartori, *Bengal in Global Concept History: Culturalism in the Age of Capital*; Seth, *Subject Lessons: The Western Education of Imperial India*.

⁴²² Kamarkar, "Impact of British Colonial Policy on Society Relating to Education in Western India During the 19th Century," 380; Ferdinand Mount, "Umbrageousness," *The London Review of Books* 39, no. 17 (2017).

⁴²³ Kamarkar, "Impact of British Colonial Policy on Society Relating to Education in Western India During the 19th Century," 380; Mount, "Umbrageousness."

There was a common consensus among the Indian political economists as well as among the Indian elite that Western education was a welcome progressive force in India. One newspaper spoke of it as one of the most momentous events in history.⁴²⁴ The Indian Economists agreed that Western education was the most important and valuable institution implemented by the imperial administration – only complaining that they were insufficient amounts of such education.⁴²⁵ Western education ultimately became the only conceivable mode of knowledge.

The Indian Economists thus appreciated the discursive resources offered to them by their Western education in India. As prescribed by my method, I shall lay out my protagonists' discursive resources and the high degree of intertextuality present in my primary sources based on several illustrative texts. For instance, in Ranade's writings there is a discussion on the development of Western political economy, exposing his broad knowledge of relevant texts and discourses. Additionally, in a newspaper article, Dutt lists the most influential texts in his academic and professional career. Finally, Naoroji's discursive context can be constructed through an autobiography and his various letter exchanges.

Firstly, Ranade's discursive resources is best understood in his "retrospective view of the progress"⁴²⁶ of political economy in Western Europe in his lecture inaugurating Indian Economics in 1892.⁴²⁷ When Europe started to develop "Agriculture, Commerce, Manufactures, Banking, Currency, Exchange, Co-operation, Taxation, Colonization, and Foreign Conquests," Ranade noted, "the ground was prepared for a systematic study of the Theory of the Laws which regulated economical arrangements."⁴²⁸ Mercantile theory thus emerged, which correctly realised, asserted Ranade, that commerce and manufacturers, and foreign trade has a higher value than agriculture and domestic trade, citing scholars such as Jean-Baptiste Colbert, Oliver Crowell, Walter Raleigh and Josiah Child.⁴²⁹ However, Ranade claimed that abuses in the system of state protection and control such as monopolies and restrictions led to the next generation of thinkers, namely Thomas Hobbes and John Locke,⁴³⁰ to theorise "Natural Liberty."⁴³¹ The theory of natural liberty brought individual freedom into political economy and

⁴²⁴ Seth, *Subject Lessons: The Western Education of Imperial India*, 3.

⁴²⁵ Ibid., 159.

⁴²⁶ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 12.

⁴²⁷ Ibid., 1–42.

⁴²⁸ Ibid., 14.

⁴²⁹ Ibid., 14–15.

⁴³⁰ Ibid., 15–16.

⁴³¹ Ibid., 16.

assumed that each individual was “guided by Private Interest.”⁴³² The government was described as a necessary evil, because all wealth was created by individual agents, which ultimately, argued Ranade, “culminated in the French Revolution” and the School of Physiocrats led by Francois Quesnay and Anne-Robert-Jacques Turgot.⁴³³ Then came Smith who improved upon Quesnay’s school, asserted Ranade, in two important ways.⁴³⁴ Firstly, Smith realised that agriculture was not the only source of wealth: manufacturers and commerce were equally profitable. Secondly, according to Ranade, Smith realised that “Nature helped man equally in all the three departments.”⁴³⁵ Smith generally advocated for *laissez faire*, but he realised that some state protection could help in risky and expensive investments. Ranade, unlike his predecessors, praised Smith for never separating the social from the economic societal issues.⁴³⁶

Ranade reported that the political economists that followed were unfortunately “rigid,” including Ricardo, Malthus, J. Mill, Robert Torrens, and John Ramsay McCulloch.⁴³⁷ Fortunately, Ranade continued, the theories’ “dogmatic feature” provoked a resistance from J.S. Mill and John Elliot Cairns, Walter Bagehot, Cliff Leslie and William Stanley Jevons thanks to the influence of French and German scholars.⁴³⁸ For instance, Auguste Comte, Léonard Simonde de Sismondi and Charles Dunoyer.⁴³⁹ Similarly, a couple of American political economists, Robert Hamilton and Carey, argued that the “Absolute Freedom was practicable only if all Nations accepted Free Trade views simultaneously.”⁴⁴⁰ Italians economists of the same period such as Melchiorre Gioja and Lodovico Ricci, also advocated for state regulation on industry and “asserted the Doctrine of Relativity.”⁴⁴¹ However, the German scholars, Adam Muller, List, Wilhem Roscher, Bruno Hildebrand, and Adolph Wagner, were the most successful in critiquing the orthodoxy of natural liberty. According to Ranade, they advanced a theory in which national wellbeing was a priority and was not entirely determined by the “highest quantity of wealth measured in exchange value.”⁴⁴²

Secondly, Dutt’s intertextual and ideological context is best understood from a newspaper article written by him and published in the *Wednesday Review* in 1905, entitled

⁴³² Ibid.

⁴³³ Ibid.

⁴³⁴ Ibid., 17.

⁴³⁵ Ibid.

⁴³⁶ Ibid.

⁴³⁷ Ibid.

⁴³⁸ Ibid., 17–18.

⁴³⁹ Ibid., 18.

⁴⁴⁰ Ibid., 19.

⁴⁴¹ Ibid., 20.

⁴⁴² Ibid.

Literary Preferences.⁴⁴³ In the article, Dutt described how he first acquired an understanding of European history and society through novels, citing Sir Walter Scott, Charles Dickens, Honoré de Balzac and Emile Zola.⁴⁴⁴ He then became interested in history, claiming that Edward Gibbon's *Roman Empire* was the most successful attempt at depicting "the progress of the human race and the decline of ancient civilisation, through the dim light of the Middle Ages to the time when the broad sunshine of modern civilisation was breaking in Italy and Spain and in Flanders."⁴⁴⁵ He subsequently read George Grote's *History of Greece*, although he preferred Francois Guizot's *The History of Civilisation*. He also found Henry Thomas Buckle's *History of Civilisation* and Sismondi's histories of France (in French) and Italy (in English) great histories. Dutt had also read the histories of Macaulay, Thomas Carlyle, Edward Augustus Freeman, James Anthony Froude, William Edward Hartpole Lecky and Samuel Rawson Gardiner,⁴⁴⁶ and had learnt German to read some works by German historians. He found that French historians over concentrated on large historical events such as the French Revolution, while the English were too narrow and reserved, giving insufficient justice to British achievements and ignoring British crimes.⁴⁴⁷ Dutt had read the works of American historians such as Washington Irving, William Prescott and John Lothrop Motley, arguing that they could produce "the best history of modern Europe, because they can write with a degree of impartiality which an Englishman, a Frenchman, or a German, cannot command."⁴⁴⁸ Finally, Dutt had understood Bengal village life from Bankim Chandra's novels.⁴⁴⁹

Furthermore, Dutt read philosophy with great enthusiasm. He started with Sir William Hamilton's lectures, later replacing them with J.S. Mill and Alexander Bain. He then turned to English philosophers, Locke and David Hume, even occasionally to Hobbes.⁴⁵⁰ George Henry Lewes's *History of Philosophy* "opened out the whole world of philosophy" to Dutt.⁴⁵¹ "He tried to grasp from that popular but somewhat superficial work the leading ideas of [René] Descartes and [Gottfried Wilhelm] Leibnitz, of [Immanuel] Kant and [Georg Wilhelm Friedrich] Hegel, as well as the older philosophers of Greece."⁴⁵² Dutt was introduced to Eastern philosophy only

⁴⁴³ The article was published on 23 August 1905 and is reprinted in Gupta, *Life And Work Of Romesh Chunder Dutt*.

⁴⁴⁴ Ibid.

⁴⁴⁵ Ibid.

⁴⁴⁶ Ibid.

⁴⁴⁷ Ibid.

⁴⁴⁸ Ibid.

⁴⁴⁹ Ibid.

⁴⁵⁰ Ibid.

⁴⁵¹ Ibid.; George Henry Lewes, *The History of Philosophy from Thales to Comte: Modern Philosophy*, 3rd ed., vol. 2 (London: Longmans, Green and Company, 1867).

⁴⁵² Gupta, *Life And Work Of Romesh Chunder Dutt*.

later in his life with the works of Sankhya and Vedanta. Dutt started to study political economy after philosophy – again Dutt described how “Adam Smith and Ricardo and John Stuart Mill opened out a new world to me.”⁴⁵³ He had often heard J.S. Mill when he was a student in London and knew Henry Fawcett personally.⁴⁵⁴

Finally, Naoroji unfortunately did not write such a detailed account on his exposure to different texts and discourses. However, there are a few sources that illustrate his discursive resources. Firstly, the most cited biography of Naoroji described how he was taught the “moral philosophy of Europe”⁴⁵⁵ by professors Bell, Harkness, Henderson, Orlebar and Reid in mathematics and natural science, history, English literature and philosophy respectively at the Elphinstone Institution. Additionally, Naoroji had read the Persian epic, Firdawasi’s *Shanma*, a Gujarati treatise, *The Duties of Zorostrians*, but enjoyed most of all Watt’s *Improvement of the Mind*.⁴⁵⁶ Secondly, in a short autobiography found at the end of a pamphlet about his life, Naoroji explains how he started to understand the vast inequalities in India and the world, seeking out writings by Thomas Clarkson on the slave trade and books about John Howard’s life, the philanthropist and prison reformer.⁴⁵⁷ Finally, Naoroji’s recently published private papers clearly depict the high level of his involvement in politically and socially progressive circles of late Victorian society.⁴⁵⁸ For instance, there are letters between him and Evans and Mynie Bell, who were part of the pro-suffragist organisations, London National Society for Women’s Suffrage, and Women’s Social and Political Union, and were anti-slavery activists and for secularism.⁴⁵⁹ It is clear that Naoroji would have been exposed to a large array of discourses during his time.

Overall, the primary material shows a rich and complex fabric of intertextual citations. To give a sense of the magnitude and breadth of the intertextual context and further confirmation of the Indian Economists’ large discursive resources, see this footnote for a list of

⁴⁵³ Ibid.

⁴⁵⁴ Fawcett became interested in India probably through his close acquaintances, William Thornton and J.S. Mill, who both worked for the Indian office.

⁴⁵⁵ Masani, *Dadabhai Naoroji: The Grand Old Man of India*, 33.

⁴⁵⁶ Ibid., 34–35. The same information can also be found in a short autobiography written by Naoroji (“London School of Economics Library Archives on Britain and South Asia. Independent Labour Party Papers: ILP/8/1908/7-19. ‘Dadabhai Naoroji: A Sketch of His Life and Life-Work’ (Madras: G. A. Natesan and Company)(Pamphlet).”

⁴⁵⁷ Thomas Clarkson, *An Essay on the Impolicy of the African Slave Trade. In Two Parts*. (London: J. Phillips, 1788); “London School of Economics Library Archives on Britain and South Asia. Independent Labour Party Papers: ILP/8/1908/7-19. ‘Dadabhai Naoroji: A Sketch of His Life and Life-Work’ (Madras: G. A. Natesan and Company)(Pamphlet),” 33.

⁴⁵⁸ Naoroji, *Dadabhai Naoroji: Selected Private Papers*.

⁴⁵⁹ Ibid., 25–26.

citations in the primary sources.⁴⁶⁰ Naturally, these citations will be analysed in detail throughout the thesis when relevant. The list of citations and the preceding paragraphs have

⁴⁶⁰ The following citations have been found in the primary material: Charles Stewart's *History of Bengal* (Dutt, *The Peasantry of Bengal*, 20; Charles Stewart, *The History of Bengal From the First Mohammedan Invasion until the Virtual Conquest of That Country by the English AD 1757* (London: Black, Parry, and Company, 1813).), the German philosopher of pessimism, Arthur Schopenhauer (Romesch Chunder Dutt, *Epochs of Indian History: Ancient India*, ed. John Adams (London, New York and Bombay: Longmans Green and Company, 1904), 72.), George Campbell's *Modern India* (George Campbell, *Modern India: A Sketch of the System of Civil Government. To Which Is Prefixed Some Account of the Natives and Native Institutions* (London: J. Murray, 1852).), Dutt's *Literary Preferences* article, reprinted in Gupta, *Life And Work Of Romesh Chunder Dutt.*), Martin Montgomery's *Histories of British Colonies* (Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:232; Naoroji, *Poverty and Un-British Rule in India*, 616.), John William Draper, *A History of the Intellectual Development of Europe*, vol. 1 (New York: Harper & Brothers, 1864). (cited in Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 134.), Michael Mulhall, *The Progress of the World: In Arts, Agriculture, Commerce, Manufactures, Instruction, Railways, and Public Wealth since the Beginning of the Nineteenth Century* (London: E. Stanford, 1880). (cited in Naoroji, *Poverty and Un-British Rule in India*, 246. Naoroji 1901, 246). The following political economists were cited, some several times: J. Mill (Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 8–9, 17.), J.S. Mill (Ibid., 5, 7, 27–28, 96–98, 260; Dutt, *Indian Famines, Their Causes and Prevention*, 11, 80, 180, 192; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:xvi, xviii, 432; Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, xi.), David Ricardo (Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 5, 8–9, 17, 22, 27, 31–32; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:299; Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 71.), German thinkers: List (Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 20; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:300; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 123–26.), Wilhem Roscher, Bruno Hildebrand, Adolph Wagner (Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 21–22.), Adam Smith (Ibid., 8–9, 17, 27; Dutt, *Indian Famines, Their Causes and Prevention*, 5; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:301; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 124.), Jean-Baptiste Say (Dutt, *Indian Famines, Their Causes and Prevention*, 5; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:301; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 124.), Jeremy Bentham (Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 315; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:332; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 11, 26.), James Mill (Dutt, *Indian Famines, Their Causes and Prevention*, 616; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 81, 101, 104–6.), Henry Fawcett (Naoroji 1887a, 358), Maine (Dutt, *Indian Famines, Their Causes and Prevention*, 188, 196.), Adam Muller (Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, 2:288; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 20.), Abbé Dubois (Ranade, *Rise of the Maratha Power*, 106.), Herbert Spencer (Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, 2:288.), Richard Cobden (Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 5.) (also, the Cobden Club Essays on Local Government and Taxation in England, Scotland, Ireland, Holland, France, Russia, Spain and Germany and in the English Colonies of Australia and New Zealand (Ibid., 231–61.), John Elliot Cairns (Ibid., 8.), Thomas Malthus (Ibid., 8–9, 17; Dutt, *The Peasantry of Bengal*, 177, 194–95.), John Ramsay McCulloch (Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 8–9, 17.), Robert Torrens (Ibid., 9, 17.), Walter Bagehot (Ibid., 10.), Henry Sidgwick (Ibid., 11–12.), Thomas

attempted to build the overall view of my main protagonists' discursive resources, which generally portrays the shared multidiscursive resources of all the Indian Economists who also studied in the same or similar Western educational systems.

In sum, the Indian Mutiny produced a dominant discourse that prescribed non-intervention and preserving traditional Indian socio-economic structures. As will be discussed further in chapter 5, the discourse affected ideas especially concerning private property rights and infrastructure in Indian Economics development discourse and imperial actions. In parallel, and perhaps somewhat paradoxically, educational reform that had started in the late 1830s was still disseminating English language and Western knowledge instruction. The British universities that followed produced an Indian generation well versed in Western development discourse some of whom would become the Indian Economists.

The beginnings of Indian Economics

The preceding sections established India's poor socio-economic context coupled with the discursive tendency to label it different. The parallel multispatial and multidiscursive changes gave rise to a new economic thinking, Indian Economics. In the mid-19th century, the product of British educational reform produced a growing intellectual elite starting to react to the discursive practices disseminating from the West. The intellectual discourse that followed intertwined modern and traditional thought.⁴⁶¹

Ranade is known as the founder of Indian Economics thanks to his 1892 lecture in which he argued for an "enlarged view" of economics to accommodate for and explain Indian specificities.⁴⁶² Ranade asserted that they needed to understand that India had "phenomenal Poverty."⁴⁶³ He argued, in fact, that orthodox economics "condemn[ed] the poor to grow ever poorer."⁴⁶⁴ Likewise, Iyer, the author of the other founding text, reasoned that "India's economic interest considerably suffer[ed] from a too blind adherence to the doctrines of Ricardo and [J.]

Edward Cliffe Leslie (Ibid., 12, 21.), William Stanley Jevons (Ibid.), Mercantilists: Jean-Baptiste Colbert, Oliver Crowell, Raleigh and Childe (Ibid., 14–15.), Hobbes and Locke (Ibid., 15–16.). Physiocrats: Francois Quesnay (Ibid., 16–17.), Auguste Comte and Charles Dunoyer (Ibid., 18.), American Political Economists: Robert Hamilton and Henry Charles Carey (Ibid., 18–19.), James Blaine, William Ewart Gladstone and Francois Guizot (Ibid., 27.).

⁴⁶¹ Bernard S. Cohn, *Colonialism and Its Forms of Knowledge: The British in India* (Princeton: Princeton University Press, 1996), 101–5.

⁴⁶² Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 23.

⁴⁶³ Ibid., 205.

⁴⁶⁴ Ibid., 27.

Mill on the part of our rulers.”⁴⁶⁵ Iyer was a leading Indian journalist and social reformer.⁴⁶⁶ Both texts are structured similarly. They start by asserting that “orthodox economic science, as expounded in English text-books, have to be modified when applied to the conditions of this country.”⁴⁶⁷ The lack of such modification meant that “great problems are approached in this extremely narrow frame of mind.”⁴⁶⁸ In sum, there were two main reasons why India needed its own economic thinking, theories and concepts. Firstly, the troubling socio-economic conditions in India and elsewhere seemed to disprove the relevance of universal economic principles such as free trade and comparative advantage.⁴⁶⁹ Secondly, as a result, there was a need for an Indian Economics which reflected the realities of India’s current economic situation, namely imperialism and the poor socio-economic state.⁴⁷⁰

Both sources then list and comment on the development of Western Political Economy,⁴⁷¹ concluding that “the truths of economic science are not universally applicable, irrespective of particular stages of national growth and of peculiar environments and conditions.”⁴⁷² Indian society was “fundamentally different and, in many respects, backwards”⁴⁷³ still based on “custom instead of competition” and “status over contract.”⁴⁷⁴ This discourse should now be familiar. The Indian Mutiny as well as Maine’s and J. Mill’s widely read works normalised the idea that India was different. The Indian Economists’ reading of such deductions, however, was different. Rather than preserving India’s backward or regressive forces, Indian Economics aimed to offer a better understanding and more appropriate policies

⁴⁶⁵ Iyer, *Some Economic Aspects of British Rule in India*, pt. Appendix, 1.

⁴⁶⁶ Published in the Appendix entitled “English Economists and India” (Ibid., pt. Appendix, 1-23.). See table 3 below for more information on his professional career and publications. See also *Sir Subramania Iyer: A Sketch of His Life and Career*, vol. 4, Indian Biography (Madras: G. A. Natesan and Company, 1918); Swaminath Aduthurai Govindarajan, *G. Subramania Iyer* (New Delhi: Publications Division, Ministry of Information and Broadcasting, Government of India, 1969).

⁴⁶⁷ Govindarajan, *G. Subramania Iyer*, 1. Similarly, the orthodox economics tradition, according to Ranade, does not take into consideration the “relative differences in Civilization, or the possession of natural advantages, or disadvantages, in matters of situation, climate, soil, National aptitudes” (Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 2.).

⁴⁶⁸ Iyer, *Some Economic Aspects of British Rule in India*, pt. Appendix, 1.

⁴⁶⁹ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 5, 11, 24.

⁴⁷⁰ Ibid., 21, 24; Iyer, *Some Economic Aspects of British Rule in India*, pt. Appendix, 3.

⁴⁷¹ See previous section, for Ranade’s retrospective on the development on Western Political Economy. Iyer cites the same author in his overview of the difference Western schools of political economy (Iyer, *Some Economic Aspects of British Rule in India*, pt. Appendix, 5-23.).

⁴⁷² Ibid., pt. Appendix, 4. See also Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 11.

⁴⁷³ Iyer, *Some Economic Aspects of British Rule in India*, pt. Appendix, 4.

⁴⁷⁴ Ibid., pt. Appendix, 2; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 24. For a discussion on this in the secondary literature, see Kellock, “Ranade and After: A Study of The Development of Economic Thought in India,” 249; Goswami, *Producing India: From Colonial Economy to National Space*, 212.

to effectively transform India into a modern society. For instance, India could build a society with progressive forces such as private property rights. The following chapter will show how Indian Economics constructs an idea of progress based on the assertion that India was capable of progress.

Indian Economics would explain the Indian economy more adequately because, argued Ranade, it would employ a historical and global perspective. Firstly, Ranade preferred the historical-institutional approach to research used by the German Historical School, as supposed to the deductive approach used by orthodox economists.⁴⁷⁵ This methodological basis would reflect the necessary historical experience, practical observations and social reality. For example, Ranade found that Classical Political Economy wrongfully concentrated on only the economic aspects of free trade, ignoring the equally, if not more, important political and social perspectives.⁴⁷⁶ Some of the Indian Economists' emphasis on historical or non-universal principles will be analysed in chapters 3 and 5.

Secondly, Indian Economics would offer a much-needed global perspective. Ricardo's theory of comparative advantage advocated for a global division of labour that assigned raw material production to Asia and industrial production to the West.⁴⁷⁷ The Indian Economists had realised that the levels of value added were different among raw materials and manufactured goods.⁴⁷⁸ The low rates of profits associated with agricultural production, and consequently low increases in much needed capital accumulation in capital scarce regions like India meant that India would be perpetually poor and remained unindustrialised, regressive and extremely poor.⁴⁷⁹ Indian Economics' critique of such an international division of labour would form their major discursive contribution, to be analysed in detail in chapter 5.

⁴⁷⁵ Ajit Dasgupta, *A History of Indian Economic Thought*, vol. 53 (London: Routledge, 1993), 112; Goswami, *Producing India: From Colonial Economy to National Space*, 11; Chandra, *The Rise and Growth of Economic Nationalism in India*; Chatterjee, "The Social Sciences in India," 487–88; Ganguli, *Indian Economic Thought: Nineteenth Century Perspectives*, 59; Gopalakrishnan, *Development of Economic Ideas in India, 1880-1914*.

⁴⁷⁶ Chandra, *The Rise and Growth of Economic Nationalism in India*, 711.

⁴⁷⁷ Goswami, *Producing India: From Colonial Economy to National Space*, 211.

⁴⁷⁸ e.g. Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 27.

⁴⁷⁹ Ibid.

The different strands of Indian Economics

Ranade's and Iyer's initial idea of an Indian Economics proved popular with other contemporary Indian intellectuals, such as Naoroji, Dutt, Joshi, Iyer, Ray, Banerjea, Gokhale and Telang, enabling Indian Economics to emerge.⁴⁸⁰

Indeed, the 1870s and 1880s saw a rise in dialogue amongst Indians and with their rulers. Several town and regional organisations were formed. A hundred local associations were established in Madras alone during the decade after the great famine.⁴⁸¹ Each association represented a different societal group – e.g. the Pune Sarvakanik Sabha, established by Ranade, and was mostly made up of mathematics teachers.⁴⁸² INC, established in 1885, was the major organisation to house different professionals including political economists, teachers, lawyers, traders and merchants as well as political viewpoints. The seventy-two members that attended the first meeting at Bombay were all founders and leaders of modern institutions⁴⁸³ - many of whom became Indian Economists after Ranade coined Indian Economics in 1892.

Indian Economics thus attracted other economists under its intellectual umbrella. The Indian Economists asked: Why was India backward? Why was India still far away from transitioning from a backward to a modern developed nation? Why had the economic distance between India and Britain widened instead of narrowed? Why did the Indian economy not generate progress when economies like America, France, Germany, Canada, Italy, Russia, and even Japan did?⁴⁸⁴ The answers, the Indian Economists hoped, would result in the implementation of better imperial development policies that would harness much needed progress in India. See table 3 below for a list of the Indian Economists, their published works and key life events.

⁴⁸⁰ Chandra, *The Rise and Growth of Economic Nationalism in India*, 712; Goswami, *Producing India: From Colonial Economy to National Space*, 236.

⁴⁸¹ Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 323.

⁴⁸² Ibid.

⁴⁸³ For more information on the establishment of the INC, see Ibid., 332–35.

⁴⁸⁴ Naoroji, *Poverty and Un-British Rule in India*, 136; Ray, *The Poverty Problem in India: Being a Dissertation on the Causes and Remedies of Indian Poverty*, 66; Joshi, *Writings and Speeches of G.V. Joshi*, 749, 808, 886; Dutt, *Epochs of Indian History: Ancient India*, 122–25; Iyer, *Some Economic Aspects of British Rule in India*, 104–7, 130–31. For secondary literature on Indian Economics, see Goswami, *Producing India: From Colonial Economy to National Space*, chap. 7; Dasgupta, *A History of Indian Economic Thought*; Chatterjee, "The Social Sciences in India"; Chandra, *The Rise and Growth of Economic Nationalism in India*, chap. 41; Gopalakrishnan, *Development of Economic Ideas in India, 1880-1914*; Goddanti Omkarnath, "Indian Development Thinking," in *Handbook of Development Economics*, ed. Erik S Reinert, Jayati Ghosh, and Rainer Kattel (Cheltenham: Edward Elgar Publishing, 2016), 212–27; Bayly, *Recovering Liberties: Indian Thought in the Age of Liberalism and Empire*; Shruti Kapila, ed., *An Intellectual History for India* (New Delhi: Cambridge University Press, 2010); Ganguli, *Indian Economic Thought: Nineteenth Century Perspectives*.

Table 3: The Indian Economists, their works and key life events

Name	Major Works	Professional Life	
Dadabhai Naoroji (1825-1917)	1887 <i>Essays, Speeches, Addresses and Writings (on Indian Politics)</i> . 1887 <i>Indian Exchanges and Bimetallism</i> . 1889 <i>The Parsi Religion</i> . 1901 <i>Poverty and un-British rule in India</i> .	1855	Became partner in a commercial firm in Camas in 1855, first Indian firm established in London
		1869	Founded his own firm, Dadabhai Naoroji and Co.
		1867	Helped establish the East India Association (predecessor to INC)
		1874	Prime Minister of Baroda
		1892-1895	Elected Liberal Party member of the British Parliament (first Indian British MP)
		1880-1885	Member of the Indian National Association founded by Banerjea, later merged with INC
		1885	Founded INC with A.O. Hume and Wacha
		1885-1888	Member of the Legislative Council of Mumbai
			University professor of Gujarati at University College London
		1886 & 1906	President of INC ⁴⁸⁵
Mahadev Govind Ranade (1842-1901)	1877 <i>Revenue manual of the British Empire in India</i> 1881. <i>Land Law Reform and Agricultural Banks</i> 1894. <i>A note on the decentralization of provincial finance</i> 1900 <i>Rise of the Maratha Power</i> 1900 <i>Introduction to the Peshwa's Diaries in Peshwa's Diaries</i> . 1902 <i>Religion and Social Reform: A Collection of Essays and Speeches</i> . 1906 <i>Essays on Indian Economics: A Collection of Essays and Speeches</i>		Ranade played an important role in the Silk Spinning and Weaving Factory, the Metal Manufacturing Factory, the Poona Mercantile Bank, the Poona Dying Company, and the Reay Paper Mill
		1859	B.A. from Bombay University
		1866	Graduated with an LL.B from the Government Law School
		1864	Started teaching economics at Bombay University
		1866	Appointed Oriental Translator to Government Bombay
		1867	State of Kolhapur judge
		1868	Returned to be a professor in English and History at Elphinstone College in Bombay
		1871	Judge for government of Bombay

⁴⁸⁵ Chandra, *The Rise and Growth of Economic Nationalism in India*, 85; Gopalakrishnan, *Development of Economic Ideas in India, 1880-1914*, 19; Bayly, *Recovering Liberties: Indian Thought in the Age of Liberalism and Empire*, 195; Masani, *Dadabhai Naoroji: The Grand Old Man of India*.

	1915. <i>The Miscellaneous Writings of the Late Hon'ble Mr. Justice MG Ranade</i> 1942. <i>Select Writings: The Late Hon'ble M. G. Ranade on Indian States</i>	1885 1886 1887 1893 1890	Nominated a law member of the Bombay legislative council by Lord Reay Government of India committee expenditure and retrenchment representative of the Bombay government Companion of the Indian Empire Appointed to the bench of the Bombay high constitution Founded the Industrial Association of Western India ⁴⁸⁶
Romesh Chunder Dutt (1848-1909)	1874. <i>The Peasantry of Bengal</i> 1891 <i>A History of Civilization in Ancient India</i> 1896 <i>Three Years in Europe, 1868 to 1871</i> 1895 <i>The Literature of Bengal</i> 1897 <i>England and India: a record of progress during a hundred years, 1785-1885</i> 1900 <i>Open Letters to Lord Curzon on Famines and Land Assessments in India</i> 1901 <i>Indian Famines, Their Causes and Prevention</i> 1902 <i>The Economic History of British India: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837</i> 1902 <i>Speeches and Papers on Indian Questions</i> 1902 <i>Papers regarding the Land Revenue System of British India</i> 1903 <i>The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century, Vol. I</i> 1904 <i>Epochs of Indian History: Ancient India 2000 B.C. – 800 A.D.</i>	1866 1871 1871- 1882 1883 1892 1894 1897- 1904 1899	Calcutta University Degree Joined the Indian Civil Service Served in the Indian Civil Service in Bengal District Magistrate Companion of the Indian Empire Appointed Commissioner of Burdwan Division (only Indian to rise to that position in the 19 th century) Retired in Europe President of Lucknow Session of INC ⁴⁸⁷
Ganesh Vyankatesh Joshi	1912 <i>Writings and Speeches</i>	1873	B.A. in Logic and Moral Philosophy, and History and Political Economy at Elphinstone College in Mumbai

⁴⁸⁶ Chandra, *The Rise and Growth of Economic Nationalism in India*, 85; Gopalakrishnan, *Development of Economic Ideas in India, 1880-1914*, 44; "London School of Economics Library Archives on Britain and South Asia (16-Non-ILP Print: Miscellaneous). Independent Labour Party Papers: ILP/16/1901. 'Mahadev Govind Ranade: His Life and Career' (Madras: G. A. Natesan and Company, Esplanade) (Pamphlet)"; Rao Bahadur G.A. Mankar, *A Sketch of the Life and Works of the Late Mr. Justice M.G. Ranade* (Bombay: Caxton Printing Works, 1902); Abdul Azim Islahi, "Humanomics' of Ranade," MPRA Munich Personal RePEc Archive, 1993.

⁴⁸⁷ Bayly, *Recovering Liberties: Indian Thought in the Age of Liberalism and Empire*; Gupta, *Life And Work Of Romesh Chunder Dutt*; Gopalakrishnan, *Development of Economic Ideas in India, 1880-1914*.

(1851-1911)		1870s-1890	Vice-Principal of the Training College at Poona
		1897	European Plague Officer
		1898	Mumbai government gave him the title of Rao Bahadur ⁴⁸⁸
Ganapathy Subramaniya Iyer (1855-1916)	1898 "Railways in India" in <i>Indian Politics</i> 1903 <i>Some Economic Aspects of British Rule in India</i> 1918 <i>Speeches and Writings</i>	1870	Appointed as a municipal commissioner of Madura and a member of its Local Board
		1878	Founded the <i>Hindu</i> newspaper, remaining as editor until 1898
		1885	One of 72 delegates present at the Bombay Conference at Tejpal Sanskrit College on 12 December 1885 – the first INC annual meeting
		1888	Appointed as the first acting Indian Government Pleader
		1894	Madras session, he was selected as a part of the delegation which presented the case of Indian nationalists before the Secretary of State for India in London
		1895-1906	Served as Judge in 1895 and Chief Justice of Madras in 1899, 1903 and 1906
		1906	Appointed member of the Standing Committee to promote the objectives of INC ⁴⁸⁹
Gopalkrishna Gokhale (1866-1915)	1920 <i>Speeches of Gopal Krishna Gokhale</i>	1884	Graduated from Elphinstone College Member of the Deccan Education Society and INC Chair of History and Political Economy
			Bombay Ferguson College lectured in English and Mathematics
		1887	Became editor of the <i>Journal of the Sarvajanic Sabha of Poona</i>
		1889	Became INC member
		1895	Became INC's joint secretary
		1897	Visited England to give evidence before Welby Commission on Indian expenditure
		1900	Member of Viceroy's executive council
		1905	INC President

⁴⁸⁸ Joshi, *Writings and Speeches of G.V. Joshi*, i–iii.

⁴⁸⁹ Sir Subramania Iyer: *A Sketch of His Life and Career*, 4:1–32.

			Founded the Servants of India Society to promote education ⁴⁹⁰
Kashinath Trimbak Telang (1850-1893)	1877 <i>Free Trade and Protection from an Indian point of view</i> 1885 <i>Selected Writings and Speeches</i>	1870s	Along with Telang and Pherozshah Mehta, he started a soap factory in Bombay and the Bombay Presidency Association.
		1882	Member of the Education Commission
		1889	First Maharashtrian to be appointed a permanent Bombay High Court Judge (highest civil service position available to Indians at the time)
			INC Member
		1892-1893	Vice Chancellor of Bombay University ⁴⁹¹
Prithwis Chandra Ray (1870-1928)	1895 <i>The Poverty Problem in India</i> 1901 <i>Indian Famines – Their Causes and Remedies</i>	1905-1928	Congress worker
		1919-1921	Editor of the <i>Bengalee</i> newspaper ⁴⁹²
Surendranath Banerjea (1848-1925)	1917 <i>Speeches and Writings of Hon. Surendranath Banerjea: Selected by Himself</i>	1868	Graduated from the University of Calcutta. He travelled to England with Dutt and Behari Lal Gupta to attempt the Indian Civil Service Examination
		1871	On his second attempt, he passed the Civil Service examination and was posted as assistant magistrate in Sylhet in modern-day Bangladesh, soon dismissed due to a minor error
		1874-1875	He went to England to appeal his dismissal but was unsuccessful. He blamed it on racism. During this time, he read Burke, whose theories he used to denounce British rule in India – he was often known as the Indian Burke
		1875	English professor at the Metropolitan Institution, the Free Church Institution
		1882	Founded the Rippon College, now Surendranath College, where he also taught
		1876	Founded the Indian National Association

⁴⁹⁰ Jim. Masselos, *Indian Nationalism: An History*, 2nd ed. (New Delhi and New York: Sterling, 1991), 95; Gopalakrishnan, *Development of Economic Ideas in India, 1880-1914*, 64; Wolpert, *A New History of India*, 158–60.

⁴⁹¹ Chandra, *The Rise and Growth of Economic Nationalism in India*, 85; Vasant N. Naik, *Kashinath Trimbak Telang The Man & His Times* (Madras: G.A. Natesan and Company, 1895).

⁴⁹² Sabyasachi Bhattacharya, *The Defining Moments in Bengal: 1920–1947* (Oxford: Oxford University Press, 2014); J. Natarajan, “History of Indian Journalism,” *The Report on the Press Commission* (New Delhi, 1955).

	1879	Founded the <i>Bengalee</i> Newspaper. In 1883, when he was arrested for a few articles he had published in the newspaper, there were several uprisings across Bengal
	1895 & 1902	INC President. He had merged his Indian National Association with INC when it was established in 1885 ⁴⁹³

⁴⁹³ Jayapalan, *History of Education in India*; Rafiuddin Ahmed, *Religion, Identity & Politics: Essays on Bangladesh* (Colorado: Intl Academic Pub, 2001), 168–69; Banerjea, *Speeches and Writings of Hon. Surendranath Banerjea: Selected by Himself*.

Debates on Indian progress and development, as well as the need for a better understanding of India's unique conditions emerged in the public sphere in the 1870s with Naoroji's paper entitled "The Wants and Means of India" presented on 27 July in 1870 at a meeting of the Society of Arts, London.⁴⁹⁴ In the paper, Naoroji concluded that India was not able to produce enough to supply all its wants. The paper spurred an intensive investigation into the poor economic conditions in India, which resulted in economic issues dominating all newspapers, political literature and academic lectures.⁴⁹⁵ Naoroji then published *The Poverty of India* in 1876.⁴⁹⁶ Ranade founded the *Quarterly Journal of the Poona Sarvajanic Sabha* in the late 1870s to spread a better understanding of India's regressive state.⁴⁹⁷ The economic inquiry into India's regressive state and Britain's role in creating such poverty essentially hits a peak with Dutt's two-volume *Economic History of India*.⁴⁹⁸

The Indian Economists were part of the new generation of an elite intellectual class whose Western education had given them discursive resources that made dialogue with their rulers easier and more conducive to potential imperial reaction. The Indian Economists have and are often accused of being elites whose utterances are too politicised, pushing only for their own group's advancement. The group was unquestionably elite, as noted by most secondary literature.⁴⁹⁹ Still, this ignores Indian Economics' goal to educate the British about India's extreme poverty among the masses and in turn persuade the British to implement policies that would reduce the poverty. For example, Naoroji ranked countries according to their annual income and declared India the poorest country in the world.⁵⁰⁰ Likewise, Ranade's *Quarterly Journal of the Pune Sarvajanic Sabha* printed accounts of different districts during famines to illustrate the poor state of the Indian masses.⁵⁰¹ Dutt wrote extensively on the effects of land legislation on Indian peasants and claimed that India was not inherently prone to severe

⁴⁹⁴ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 97–111. See also Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 335–37.

⁴⁹⁵ Chandra, *The Rise and Growth of Economic Nationalism in India*, 5.

⁴⁹⁶ Naoroji, *Poverty and Un-British Rule in India*.

⁴⁹⁷ Chandra, *The Rise and Growth of Economic Nationalism in India*, 4.

⁴⁹⁸ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*. See full list of primary sources in chapter 1.

⁴⁹⁹ For instance, Chatterjee, *The Nation and Its Fragments: Colonial and Postcolonial Histories*; Chatterjee, *Nationalist Thought and the Colonial World: A Derivative Discourse*; Goswami, *Producing India: From Colonial Economy to National Space*; Spengler, *Indian Economic Thought*; Chandra, *The Rise and Growth of Economic Nationalism in India*; Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 334; Ganguli, *Indian Economic Thought: Nineteenth Century Perspectives*.

⁵⁰⁰ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 582. See chapter 3 for a full discussion on how Indian Economics saw India as regressive.

⁵⁰¹ See Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*, 335.

famines as seen during British rule, but rather that the imperial policies were increasing the vulnerability of peasants' livelihood. The Indian Economists may have been elite with limited experiences of extreme poverty, but that does not mean that the Indian Economists' discursive practices and actions were only guided by an elite agenda.

Indian Economics' discourse of progress and development was not however unified, despite the consensus over its goal to better understand and identify more appropriate solutions to bring about progress. Ranade, for instance, was a member in the Bombay strand, along with Joshi and Naoroji, which concentrated on imperial finance, banking, and in general exchange. The Bengal strand, including scholars such as Dutt, rose to prominence at the end of my period of study, focusing on land-revenue, rural relations, peasant indebtedness and particularly emphasised indigenous institutions and practices.⁵⁰² In sum, much like India's modern-day slogan "unity in diversity,"⁵⁰³ Indian Economics was united without always sharing the same research focus, approaches, ideology or discursive practices.

The end of my period of study marks a shift in the orientation of the Indian Economists under study. After several decades of political debate with the British officials, Naoroji and Dutt⁵⁰⁴ realised that the imperial administration was not helping India industrialise or boost Indian economic growth.⁵⁰⁵ As a result, Naoroji and Dutt, among other members of the emerging nationalist movement, turned their efforts to promoting domestic rule as the only solution for India's economic development. Proven illustratively by Naoroji's speech at INC in 1906, declaring the Congress' new official goal to fight for self-rule.⁵⁰⁶

Assigning Agency to the Indian Economists

The agency and contribution of Indian Economics to the disciplines of IPE, Political Economy and Economics has only been exposed in that last thirty years. Earlier studies on Indian Economics emphasised the similarities between Indian Economic theories and the European political economy taught to the Indian Economists.⁵⁰⁷ To a large extent the studies conclude that Indian Economics does not produce knowledge or add to the economics discipline. My contribution to the literature will be to reject Indian Economics' lack of knowledge creation.

⁵⁰² Goswami, *Producing India: From Colonial Economy to National Space*, 236.

⁵⁰³ Quoted in Cohn, *Colonialism and Its Forms of Knowledge: The British in India*, 111.

⁵⁰⁴ Ranade prematurely passed away in 1901.

⁵⁰⁵ Chandra, *The Rise and Growth of Economic Nationalism in India*, 740.

⁵⁰⁶ Naoroji, *Dadabhai Naoroji: Selected Private Papers*, xxxv–xxxvi.

⁵⁰⁷ Chandra, *The Rise and Growth of Economic Nationalism in India*; Chandra, "Colonial India: British versus Indian Views of Development"; Gopalakrishnan, *Development of Economic Ideas in India, 1880-1914*; Torres, "The Ideological Component of Indian Development"; Spengler, *Indian Economic Thought*.

I am able to reject the conclusion that Indian Economics did not discursively create by assigning agency to the Indian Economists. The Indian Economists had agency despite their discursive resources coming from primarily European and Western sources and interlocutors. I can assign agency by using Bakhtin's theory of dialogism. The theory both explains how the European experience of progress and development has become the norm in development discourse and how marginal discourses are always present, attempting to push from and at the margins of dominant discourse.⁵⁰⁸

Literature in the last thirty years in social, cultural history and history of political economic thought has also started to assign agency to these Indian Economists. Ganguli and Bayly's analyses show that late 19th century Indian intellectuals were able to create specific meanings that reconciled the Indian context with dominant political economy.⁵⁰⁹ Similarly, Zachariah finds that developmental theory in India had to possess an Indian element from 1930 to 1950 – a factor that he labels the 'indigenist' theme.⁵¹⁰ Norbert Peabody's chapter on knowledge formation in imperial India also examines how Indians had considerable agency in forming imperial knowledge.⁵¹¹ Jayasankar Krishnamurty's book publishes works by 20th century Indian writers – such as Bhimrao Ramji Ambedkar and Radhakamal Mukherjee – concluding that Indians anticipated many development debates emerging post-World War Two.⁵¹² A chapter by Goddanti Omkarnath briefly zooms in on three periods of Indian development thinking, namely Kautilya's ancient Arthashastra, economic nationalism in my period of study and post-independence Indian development thought.⁵¹³ To a certain extent, the studies have started to 'decolonise knowledge'⁵¹⁴ by bringing India's marginalised discourses to the fore.

Chatterjee and Goswami have, in my view, gone further in assigning agency to Indian nationalist interlocutors and actors. They have enormously contributed to a growing consensus

⁵⁰⁸ Bakhtin, *The Dialogic Imagination: Four Essays*, 272–73; Bakhtin, *Problems of Dostoevskys Poetics*, 100.

⁵⁰⁹ Bayly, "The Birth of the Modern World: 1780–1914," 323; Bayly, *Recovering Liberties: Indian Thought in the Age of Liberalism and Empire*; Ganguli, *Indian Economic Thought: Nineteenth Century Perspectives*, 85.

⁵¹⁰ Ganguli, *Indian Economic Thought: Nineteenth Century Perspectives*, 85; Zachariah, *Developing India: An Intellectual and Social History c. 1930–50*, 293.

⁵¹¹ Norbert Peabody, "Knowledge Formation in Imperial India," in *India and the British Empire*, ed. Douglas Peers and Nandini Gooptu (Oxford: Oxford University Press, 2012), 75–99.

⁵¹² Jayasankar Krishnamurty, *Towards Development Economics: Indian Contributions 1900–1945* (New Delhi: Oxford University Press, 2011).

⁵¹³ Omkarnath, "Indian Development Thinking."

⁵¹⁴ See e.g. Frédérique Apffel-Marglin and Stephen Marglin, eds., *Decolonizing Knowledge: From Development to Dialogue* (Oxford: Oxford University Press, 1996).

that Indian nationalists at the turn of the century, including the Indian Economists, merged discursive practices from several Western schools of thought such as the German Historical School, Classical Political Economy and American Political Economy, resulting in discursive innovation at the margins of conceptualisations of nationhood.⁵¹⁵ Chatterjee offered one of the first detailed and intricate analysis of Indian thinking on nationalism. Chatterjee finds that Indian thinking followed English utilitarianism, French positivism and Classical Political Economy in the mid-19th century, while by the end of the 19th century, Indian Economics' discourse had shifted to following List and the German Historical School, and become critics of Classical Political Economy.⁵¹⁶ Goswami was also able to situate discourses of the nation in India from around 1857 to 1920 within its political and socio-economic context through a geographical-historical perspective.⁵¹⁷ Goswami finds that Indian intellectuals, including the Indian Economists, constructed a nationalist imagining of a bounded national space and economy.⁵¹⁸

While the majority of recent studies have concentrated on the concept of nation, as noted above with Chatterjee's and Goswami's research, my focus is on Indian Economics' idea of development. I take Dipesh Chakrabarty's study as a starting point: the dominant ideas of progress and development is not universally applicable across time and space, as the dominant discourse dictates.⁵¹⁹ Rather, the dominant ideas of progress and development is a provincial history of how progress occurred in Europe. Chakrabarty emphasises that the dominant discourse needs to be changed "from and for the margins."⁵²⁰ My aim, however, is take the Indian Economists' agency even further. I have found that Indian Economics' marginal development discourse discursively contributes *at* the margins of dominant development discourse, not only *for* the margins. The idea of development in Indian Economics contributes to development discourse and can be used as a contemporary tool for development.

⁵¹⁵ Chatterjee, *The Nation and Its Fragments: Colonial and Postcolonial Histories*; Chatterjee, *Nationalist Thought and the Colonial World: A Derivative Discourse*; Chatterjee, "The Social Sciences in India"; Goswami, *Producing India: From Colonial Economy to National Space*, 11; Zachariah, *Developing India: An Intellectual and Social History c. 1930-50*, 293; Peabody, "Knowledge Formation in Imperial India."

⁵¹⁶ Chatterjee, "The Social Sciences in India," 487–88.

⁵¹⁷ Like this thesis, Goswami employs Bakhtin's theory of dialogism to theorise how meaning making is constructed within specific coordinates of space-time or, as Bakhtin labels it, chronotypes (Goswami, *Producing India: From Colonial Economy to National Space*, 27–30.).

⁵¹⁸ *Ibid.*, 5, 215.

⁵¹⁹ Chakrabarty, *Provincializing Europe*.

⁵²⁰ *Ibid.*, 16.

To conclude, the chapter established the multispatial and multidiscursive context of Indian Economics' development discourse in order to contextualise my protagonists and primary sources. I laid out how India's multispatial context included a dramatic deindustrialisation in the handicrafts industry, slow large-scale industrial growth, agricultural commercialisation and severe famines. The multidiscursive context included interlocutors that attempted to find reasons and effective prescriptions to explain as well as alleviate India's chronic poverty. On the one hand, British interlocutors – especially those connected or working for the imperial administration – constructed a discourse of improvement where British rule was said to bring progress to India. On the other hand, Indian interlocutors, equipped with Western discursive resources from their Western education, established Indian Economics that would explain the extreme levels of poverty that seemed to be misunderstood by British interlocutors. By assigning agency to the Indian Economists, the next three chapters shall illustrate how Indian Economics conceptualised an idea of development that, firstly, would emphasise India's progressive past and explain its regressive present (see chapter 3). Secondly, Indian Economics would identify an effective development plan that would account for India's unfortunate peculiarities (see chapter 4). Thirdly, Indian Economics would then rewrite Indian history and expose imperial rule as regressive in order to reconfigure universal development as a non-zero-sum game with global industrialisation (see chapter 5).

Chapter 3 – Regress and Progress: The Understanding of Societal Change in Indian Economics, 1870-1905

*It is useless to talk about the remedy before making a true diagnosis of the real character of the disease.*⁵²¹

Dadabhai Naoroji

*Pursuit of high ideals, mutual sympathy and co-operation, perfect tolerance, a correct understanding of the diseases from which the body politic is suffering, and an earnest desire to apply suitable remedies – this is the work cut out for the present generation.*⁵²²

Mahadev Govind Ranade

*By a perpetual interference with the operation of laws which our own rule in India has set in motion, and which, I venture to think, are essential to success – by a constant habit of palliating symptoms, instead of grappling with disease – may we not be leaving to those who come after a task so aggravated by our neglect or timidity, that what is difficult for us may be impossible for them?*⁵²³

Louis Mallet cited by Romesh Chunder Dutt

The idea of development in Indian Economics included a conceptualisation of societal change, because the Indian Economists found it “useless to talk about the remedy before making a true diagnosis of the real character of the disease.”⁵²⁴ Indian Economics could not propose an effective plan of development, if it did not understand India’s dire political and socio-economic problems. India’s economy was increasingly studied in the late 19th century, as noted by Dutt, “there is a general and widespread desire to understand the condition of the Indian people – the sources of their wealth and the causes of their poverty.”⁵²⁵ The Indian Economists maintained that India needed “a true diagnosis” and “a correct understanding” to grapple with the disease.⁵²⁶ A better understanding of India’s societal change gave the Indian Economists hope

⁵²¹ Naoroji, *Poverty and Un-British Rule in India*, 530.

⁵²² Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 247.

⁵²³ Louis Mallet’s Minute on Indian Land Revenue dated 12 April 1875, cited in Dutt, *Open Letters to Lord Curzon on Famines and Land Assessments in India*, pt. Appendix M, 86. Also cited in Naoroji, *Poverty and Un-British Rule in India*, 319–20.

⁵²⁴ Naoroji, *Poverty and Un-British Rule in India*, 530.

⁵²⁵ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:v.

⁵²⁶ Naoroji, *Poverty and Un-British Rule in India*, 530; Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 247., Louis Mallet’s Minute on Indian Land Revenue dated 12 April 1875, cited in Dutt, *Open Letters to Lord Curzon on Famines and Land Assessments in India*, pt. Appendix M, 86. Also cited in Naoroji, *Poverty and Un-British Rule in India*, 319–20.

that the imperial rulers could implement a development plan that would harness positive societal change.⁵²⁷

I will demonstrate below that Indian Economics was able to remake ideas around societal change at the margins, despite similarities between Indian Economics' and other Europeans', such as Smith and Maine, idea of societal change. Firstly, I show that Indian Economics employed the well-known stadial theory of societal change and added a distinct imperial stage to account for India's regressive state and foreign rule. Secondly, the idea of societal change in Indian Economics also included a bidirectional societal change where societies could regress down or progress up the chain of stages. Thirdly, the idea was informed and explained by natural analogies. Indian Economics was particularly informed by social evolutionary theory which likened societal change to how humans evolved from simple to complex beings. Society, to Indian Economics, was like an organism. Finally, I deal with Indian Economics' seemingly split discourse around universal tendencies of societal change.

The Stadial Theory of Societal Change in Indian Economics

On the one hand, Indian Economics adhered significantly to the prevalent four stage theory by interlocutors from Smith to Marx. On the other hand, Indian Economics redefined and reconstructed, to some degree, a stadial theory to fit the Indian context. Indian Economics conceptualised the possible outcomes of societal change in the four-stage framework. Societal change occurred in stages, like a human's sequential maturity from a child to an adult. The stages were labelled with human phases of growth: infant, child, adolescent and adult. The gradual change was visualised as a chain conceptualising a constant linear societal change either going up or down the stages on the chain.⁵²⁸

The stadial idea of progress, growth or societal change became particularly popular in the late 18th century with Scottish thinkers Adam Ferguson, Smith and John Millar and is found in many later texts throughout the 19th century such as those authored by John Ferguson McLennan, List, Herbert Spencer and Marx.⁵²⁹ This analytical tool offered an explanation for the

⁵²⁷ "Such a clear understanding of the causes of progress in the past inspires us with hope for progress in the future" (Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, xii.).

⁵²⁸ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 43.

⁵²⁹ Smith, *An Inquiry into the Wealth of Nations*; Adam Ferguson, *Principles of Moral Political Science: Being Chiefly Retrospective of Lectures Delivered in the College of Edinburgh*, vol. 2 (Edinburgh: A. Straham, 1792); Adam Ferguson, *The History of the Progress and Termination of the Roman Republic Complete in One Volume by Adam Ferguson* (London: Jones and Company, 1834); John Millar, *The Origin of the Distinction of Ranks, or, An Inquiry into the Circumstances Which Give Rise to Influence and Authority, in the Different Members of Society*, ed. Aaron Garrot (Indianapolis: Liberty Fund, 1771); John Millar, *An Historical View of the English Government*, vol. 1-4 (London: J. Mawman, 1803);

perceived Eastern difference and irrationality – i.e. the differences between the East and West could be explained by the different stages the regions were allegedly experiencing. Moreover, it created discursive space to critique Eastern irrationality. Eventually, the East needed to transition to the progressive ways of the West. As John Burrow finds, this was typical of evolutionary positivism. Spencer, Maine and J. Mill, for instance, were impatient to see India progress.⁵³⁰

The first few decades of the 19th century had seen a discursive shift in the dominant (European) discourse on India's societal change or more precisely concerning its level of progress. J. Mill's discourse on how Hindu society was at a low stage of civilisation shifted from the earlier positive discourse on India's progressive society. J. Mill blamed previously optimistic perceptions of India on the orientalist and Sanskrit philologist, Sir William Jones who argued that Asia was a source of wisdom.⁵³¹ This discursive shift placed India into a lower level of progress along a linear chain of stages, which meant that India had to now traverse these successive phases before it would eventually industrialise and become independent.

Smith, Millar and Ferguson developed a 'four stages' theory of societal change that accounted for differences through time in terms of changing economic conditions, social customs and institutions.⁵³² They carefully selected reliable sources from which they could make comparisons and find causal regularities⁵³³ from which they deduced common characteristics that could apply to different stages of progress.

The most clearly defined stadial theory comes from Smith and is seen in Millar. The logical sequence of the theory is as follows. Human sustenance is the primary need of society. The first stage of societal change is therefore catering to the subsistence needs of humans. These

Maine, *Village-Communities in the East and West: Six Lectures Delivered at Oxford*; John Ferguson McLennan, *Primitive Marriage: An Inquiry into the Origin of the Form of Capture in Marriage Ceremonies* (Edinburgh: Adam and Charles Black, 1865); Herbert Spencer, *The Study of Sociology* (New York: D Appleton and Company, 1874); List, *National System of Political Economy*; Marx, *Capital*. For secondary literature on stadial theories of progress, see Craig Smith, *Adam Smith's Political Philosophy: The Invisible Hand and Spontaneous Order* (Abingdon: Routledge, 2006); Cowen and Shenton, *Doctrines of Development*, 13; Burrow, *Evolution and Society: A Study in Victorian Social Theory*; John Bagnell Bury, *The Idea of Progress: An Inquiry into Its Origins and Growth* (London: Macmillan and Company, 1920); Gerald Allan Cohen, *Karl Marx's Theory of History: A Defence* (Oxford: Clarendon Press, 2000).

⁵³⁰ Burrow, *Evolution and Society: A Study in Victorian Social Theory*, 227.

⁵³¹ Mill, *The History of British India*. It can be argued that Mill attacked the Hindu caste system and social institutions as an indirect attack on the aristocracy in England (Burrow, *Evolution and Society: A Study in Victorian Social Theory*, 44.). For more information on J. Mill's involvement in India, see chapter 2.

⁵³² Smith, *Adam Smith's Political Philosophy: The Invisible Hand and Spontaneous Order*, 23–24; Burrow, *Evolution and Society: A Study in Victorian Social Theory*, 10–11.

⁵³³ Smith, *Adam Smith's Political Philosophy: The Invisible Hand and Spontaneous Order*, 24.

are savage societies where humans concentrate solely on finding subsistence. As all humans need to provide subsistence and as humans are relatively similar in physical forms, the progress of diverse modes of subsistence happens universally across all societies. As Millar puts it, “the similarity of his wants, as well as of the faculties by which those wants are supplied, has everywhere produced a remarkable uniformity in the several steps of his progression.”⁵³⁴ In each successive stage, a different method is employed to secure subsistence: hunting, herding, agriculture and then commercial industry. Each stage includes the features of the previous stage. The old mode of subsistence simply ceases to be the sole method to secure subsistence.⁵³⁵ Smith and Millar assume that humans both desire to survive and procreate. Change from one stage to the next occurs thanks to the discovery of new skills, primarily spurred by growth in population and hence the greater aggregate need for food.⁵³⁶ The following passage from recent scholarship gives a very clear account of the links between stages:

*Hunters are brought into repeated contact with animals and gradually acquire the skills which form the basis of shepherdry; shepherds are brought into contact with the means of subsistence of animals and gradually acquire knowledge of the crops required, their attention is then led to a possible new source of human subsistence and, as they settle geographically, they develop agricultural skills. Once humans have developed settled accommodation the division of labour increases and commercial industry begins to develop.*⁵³⁷

In sum, the links guarantee that all societies would automatically progress through the same sequential stages. The 19th century interlocutors above observed that positive societal change manifested itself in stages linearly from simple to complex, from poor to rich and from Eastern to Western ways.

To a large degree, Indian Economics adhered to the four stages discourse – all societies, including India, would and should transition to higher stage of progress, growth, civilisation or societal change – like the stage already reached in the West. A few examples illustrate the stadial approach in Indian Economics. First, Ranade distinguished between India’s current stage of agricultural and indigenous industry, and a higher future stage of manufacturing and commerce with a less dominant agricultural sector.⁵³⁸ He also noted that there were “many stages of growth.”⁵³⁹ He does not mention how many stages in this passage. His aim is to illustrate that the imperial rulers cannot treat India the same as Britain because it is in a different stage.

⁵³⁴ cited in Ibid., 49.

⁵³⁵ Burrow, *Evolution and Society: A Study in Victorian Social Theory*, 14.

⁵³⁶ Smith, *Adam Smith’s Political Philosophy: The Invisible Hand and Spontaneous Order*, 48–50.

⁵³⁷ Ibid., 50. For original source material, see Smith, *An Inquiry into the Wealth of Nations*.

⁵³⁸ Quoted in Dasgupta, *A History of Indian Economic Thought*, 53:91.

⁵³⁹ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 28.

Second, Dutt conceptualised a similar hierarchical order starting at a simple stage of civilisation in which the economy was primarily agricultural.⁵⁴⁰ Third, Joshi wrote that industrialisation was “a superior type and a higher stage of civilisation.”⁵⁴¹ Finally, most of the Indian Economists argued that India was a lower stage of progress, which England had previously passed through.⁵⁴²

The Indian Economists did not produce precise lists and deeper descriptions of each stage. Their explanations of the different stages are rather scattered in the primary sources. I have therefore inferred an overall stadial theory from the dispersed discourse on stages. As many interlocutors during this period, the Indian Economists described India as on a chain that runs from the lowest to the highest forms of life.⁵⁴³ My reading of Indian Economics was that the sequential stages included on the chain included the infant, child, adolescent and adult stages – see figure 2 below for a visualisation of the different stages and its various components.

⁵⁴⁰ Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:21.

⁵⁴¹ Joshi, *Writings and Speeches of G.V. Joshi*, 616. For more information on Joshi, see chapter 2. Other examples includes Telang, “Free Trade and Protection from an Indian Point of View,” 51–53.

⁵⁴² Naoroji, *Poverty and Un-British Rule in India*, 581–624, 583; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:3, 10; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*.

⁵⁴³ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 43; Kieran Healy, “Social Change: Mechanisms and Metaphors” (Princeton, 1998), 31–32.



Figure 2: Indian Economics' Four Stage Theory and Bidirectional Societal Change

What did each stage involve? The infant stage existed when Indian society had simple and self-sufficient structures, what Indian Economics labelled “Village Communities.”⁵⁴⁴ The local power was strong during this stage because Kings or *Despots* were only engaging in expanding territory, rather than developing the existing region, and there was little communication between the local and central powers. India had been at the infant stage before the Mughal Empire and most significantly before India’s global success – the adolescent stage.

Indian Economics strayed significantly from the widespread stadial theory proposed by the scholars of the Scottish Enlightenment in the second stage. The second stage, India’s current stage in the late 19th century, was the child stage with a dependent political economy and

⁵⁴⁴ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 233; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:119–20, 135, 346–48; Dutt, *Speeches and Papers on Indian Questions*, 1897 to 1900, 6.

imperialism. It was a “transition stage”⁵⁴⁵ and was specific to India. The stage included a semi-feudal system because imperial land reform had disintegrated the self-sufficient village communities.⁵⁴⁶ Additionally, there was a dominant agricultural sector. The ruralised economy meant that industry was in “its infant stage”⁵⁴⁷ or “rudimentary stage,”⁵⁴⁸ which is an example of how elements of the previous stages remain. Finally, India was ruled by status and not contract during the second stage phase.

The third stage was when India had a flourishing economy with an internationally competitive and successful handicraft industry, mostly in textiles. Indian Economics is referring to a period in Indian history up until around 16th and 17th century when India traded with many corners of the world. Relative peace had been established. Although status was still the major legal structure, some private property did exist. The stage included the self-sufficient community structure, because, as Dutt theorised, village communities harnessed positive societal change, which is why it was also included in the third stage. Again, Indian Economics agrees with the Scottish intellectuals cited above that certain components past stages remain in the following stages. (In chapter 4, I shall analyse Dutt’s proposal to bring back village communities, as he argued that they had regrettably been destroyed by the British.)

The last stage was the goal of the idea of development in Indian Economics. India would establish modern industrial production and urbanise. India would also have national unity and self-rule. The organisation would be mostly centralised, although some power would remain with the local authorities. Peace would persist and contractual law would be the norm. The possible outcomes of societal change were therefore conceptualised within linear stages.

Apart from Indian Economics’ distinct second stage above, the other substantial discursive difference regards the bidirectional feature of stadial theory. The child stage had actually come after the adolescent stage in terms of time, although it was less progressive. As noted above, the child stage included imperialism, which had occurred historically after the period when India had been the global supplier of goods in the adolescent stage.⁵⁴⁹ Ranade

⁵⁴⁵ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 350.

⁵⁴⁶ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:120; Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 129; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 72; Dutt, *The Peasantry of Bengal*, 188.

⁵⁴⁷ Dutt is referring specifically to the cotton mill industry here (Dutt, *Epochs of Indian History: Ancient India*, 520.).

⁵⁴⁸ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 46.

⁵⁴⁹ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:92, 202; Dutt, *England and India: A Record of*

called to “restore India to its proud position as the garden and granary of the world.”⁵⁵⁰ India had initially been in the adolescent stage with a prosperous small scale or handicraft industry supplying global markets. The child stage is then below the adolescent stage on the chain, where the direction of progress goes from bottom to top. In other words, the stages here are linear but not unidirectional. Indian Economics theorises that societies can move from bottom to top as well as top to bottom along the chain. Societies could move forwards *and* backwards through the different levels of societal change, which they labelled progress and regress respectively – see figure 2 again for my visualisation of Indian Economics’ stadial and bidirectional nature of societal change.

Indian Economics’ marginal discursive iteration is useful and important for primarily two reasons. First, European four stages theory is problematic. The stadial conceptualisation was often prone to Whig interpretations of history.⁵⁵¹ In other words, society was assumed to always move forward; which Burrow blames on the over use of Charles Darwin’s evolutionary theory in the ideas of societal change.⁵⁵² As will be discussed below, the Indian Economists also used social evolutionary theory and yet did not assume a constant forward movement in societal change – see below for further discussion. Most scholars, including the scholars of the Scottish Enlightenment mentioned above and the French economist and statesman, Anne Robert Jacques Turgot, do not deny regressive or negative societal change.⁵⁵³ However, they either tended to reason out regress because, as Turgot argued, there was always progress in other spheres, even if some were experiencing regress. Or they tended to theorise regress to potentially happen after the last stage.⁵⁵⁴ Regress at the last stage is particular to the discursive practices associated with Marx’s fifth stage of communism and Ferguson’s similar idea that the commercial stage contains the seeds of its own destruction, as well as Smith’s division of labour.⁵⁵⁵ Marx and Ferguson theorised that the commercial age leads to decadence,

Progress During a Hundred Years, 1785-1885, 40; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics)* of Hon-Ble Dababhai Naoroji, 31, 36, 135.

⁵⁵⁰ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 176; Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 148.

⁵⁵¹ A view that asserts that history follows a path of inevitable improvement and progression (Herbert Butterfield, *The Whig Interpretation of History* (London: Bell, 1931).).

⁵⁵² Burrow, *Evolution and Society: A Study in Victorian Social Theory*, 19.

⁵⁵³ For instance, Ferguson, *Principles of Moral Political Science: Being Chiefly Retrospective of Lectures Delivered in the College of Edinburgh*. For secondary source that discusses the ideas of regress and decline in this European discourse, see Smith, *Adam Smith’s Political Philosophy: The Invisible Hand and Spontaneous Order*; Harro M. Höpfl, “From Savage to Scotsman: Conjectural History in the Scottish Enlightenment,” *The Journal of British Studies* 17, no. 2 (January 15, 1978): 37.

⁵⁵⁴ Bury, *The Idea of Progress: An Inquiry into Its Origins and Growth*, 156.

⁵⁵⁵ Ferguson, *Principles of Moral Political Science: Being Chiefly Retrospective of Lectures Delivered in the College of Edinburgh*. For further analysis, see Robert L. Heilbroner, “The Paradox of Progress:

overconsumption on luxury and a decrease in civic spirit necessary for progress. They both use the example of Rome and how it was ruined mainly due to over spending on luxuries.⁵⁵⁶ Smith's division of labour isolated individuals by making them do simple and repetitive tasks that would successively restrict their knowledge into one area until thought was no longer needed to fulfil the tasks. Knowledge would therefore decrease so much so that society would regress.⁵⁵⁷ As noted earlier, knowledge acquisition was essential to progress, which means that division of labour, like the rise of decadence, would lead to the demise of societies in the highest stage.⁵⁵⁸ The 19th dominant discourse deals with regress but as Indian Economics in all stages of societal change.

Secondly, the remaking of stadial theory in Indian Economics questions whether the adoption of such a theory opposes the Indian Economists' assertion that India could rise to a higher level quickly, if not immediately. Indian Economics both theoretically and practically adopted stadial discursive practices redefining and reconstructing stadial theory of societal change at the margins. I therefore do not find the same conclusion as Charkrabarty, who asserts that some late 19th century Bengali intellectuals practically rejected stadial theory but theoretically employed the theory, because stadial theory essentially implied that India would and should remain at a lower level of progress.⁵⁵⁹ I find that Indian Economics discursively innovated from the margins to apply a stadial framework to the Indian context. Indian Economics conceptualised a stage theory that assumes that nations can go back and forth between them.

As experienced by India: imperialism had brought regression and shifted Indian society from stage three to two. Indian Economics theorised that India could skip to stage four, because it had already previously been through stage three. Here is another difference in Indian Economics as compared to, for instance, Spencer's stage theory which denied the possibility of societies to skip stages.⁵⁶⁰ In short, Indian Economics' stadial theory offers an opportunity for

Decline and Decay in The Wealth of Nations," *Journal of the History of Ideas* 34, no. 2 (April 1973): 243; Lisa Hill, "Adam Ferguson and the Paradox of Progress and Decline," *History of Political Thought* 18, no. 4 (1997): 677–706; Lisa Hill, "Adam Smith, Adam Ferguson and Karl Marx on the Division of Labour," *Journal of Classical Sociology* 7, no. 3 (November 24, 2007): 339–66.

⁵⁵⁶ Hill, "Adam Ferguson and the Paradox of Progress and Decline"; Hill, "Adam Smith, Adam Ferguson and Karl Marx on the Division of Labour."

⁵⁵⁷ Smith, *Adam Smith's Political Philosophy: The Invisible Hand and Spontaneous Order*, 92–93.

⁵⁵⁸ Marx and Ferguson agree with Smith that division of labour can lead to detrimental effects (see Hill, "Adam Smith, Adam Ferguson and Karl Marx on the Division of Labour.").

⁵⁵⁹ Charkrabarty, *Provincializing Europe*.

⁵⁶⁰ Spencer, *The Study of Sociology*, 402. For further discussion on Spencer and his stadial idea of progress, see Burrow, *Evolution and Society: A Study in Victorian Social Theory*, 111–12.

flexibility in the common unidirectional and linear idea of progress and offers a more comprehensive account of regression.

Bidirectional Societal Change in Indian Economics

Indian Economics conceptualised a bidirectional societal change that could go backwards, regress, and forwards, progress. Indian Economics viewed India's progress as linear through analogies that compared societal change with organic growth. The Indian Economists described an ebb and flow of growth and decay.⁵⁶¹ My discourse analysis has illustrated this in three ways. Firstly, the discursive practices find organic and biological imagery to explain both negative and positive societal change. Secondly, Indian Economics attempted to prove increasing poverty and identify reasons for this regression. Finally, Indian Economics identified historical examples of Indian progress, subsequently constructing key forces and elements that harnessed positive societal change.

Regress in Indian Economics

Indian Economics constructed an image of India as regressive in the late 19th century. India had “chronic,” “perpetual,” “extreme” and “universal” poverty.⁵⁶² Regress, in Indian Economics, predominantly meant poverty among the masses. Indian Economics defined poverty as poor economic conditions, which included insufficient materials to meet basic human needs (nourishment and shelter). Poverty therefore caused starvation, higher death tolls especially during famines, low standards of living, including less education due to insufficient investment and resources.⁵⁶³ Indian Economics' idea of regress is predominantly constructed through Naoroji's and Dutt's empirical studies that found India poor by calculating national accounts, costs of living and famine deaths. In turn, the idea of regress is conceptualised by identifying several causes of such poverty.

⁵⁶¹ Dutt, *Indian Famines, Their Causes and Prevention*, xix; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 529; Naoroji, *Poverty and Un-British Rule in India*, 649; Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 28.

⁵⁶² Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 500; Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 111; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 27, 86; Dutt, *Indian Famines, Their Causes and Prevention*, 18, 67; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 24.

⁵⁶³ see e.g. Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*; Naoroji, *Poverty and Un-British Rule in India*; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*.

There was an ongoing debate whether poverty existed in late 19th century India.⁵⁶⁴ The Indian Economists suggested that imperial discourse was wrongly diffusing an optimistic narrative about India's progress in order to maintain legitimacy.⁵⁶⁵ The Indian Economists feared that the narrative was preventing a true understanding of India's condition.⁵⁶⁶ Indian Economics, therefore, studied India's real political and socio-economic condition. The studies and dialogue that followed between the Indian Economists and the imperial administration had effect. Imperial discourse actually seemed to change during my period of study. At the turn of the century, the imperial discourse seemed to agree with Indian Economics that India was extremely poor.⁵⁶⁷

The most popular approach to proving the existence of extreme poverty was to measure per capita income, derived by dividing the total annual national income by the total population. Reducing economic welfare to a single index facilitated the comparisons of standards of living across regions and time. The index also gave Indian Economics' argument a solid quantitative basis and could be interpreted even by the large illiterate population. Naoroji was the first to

⁵⁶⁴ Naoroji, *Poverty and Un-British Rule in India*, 179.

⁵⁶⁵ A few examples include: according to Naoroji, the English often misjudged, and did not thoroughly analyse the Indians, leading to false conclusions and quick generalisations (Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 19, 41.). For example, a single officer was assigned to write a report on the condition of each province in 1893, but it was not openly distributed, and no independent experts were appointed (Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:323.). Furthermore, English newspapers wanted to mislead Parliament by stating that the British had "achieved wonders in 30 years and it is idle to talk of investigating into the faults of an administration which has performed miracles" (Ibid., 2:170., see also Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, 2:577, 610.). Fortunately, according to Naoroji, the English people had started to realise that the official telegrams were full of lies - e.g. Lord Sandhurst wrote that the Mahommedan unrest was untrue, when the next day a riot started (Ibid., 2:611.). Additionally, the India Office construed facts into their preconceived theory (Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:372.) and would discredit Naoroji's arguments (Ibid., 2:388, 502, 510.). Another Indian Economist, Wacha, suggested that the imperial administration was circulating reports stating that poverty was decreasing in India, denying any need to worry. For similar arguments see Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, 2:326. 349.

⁵⁶⁵ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:16.

⁵⁶⁶ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:16.

⁵⁶⁷ For instance, in a letter from Wacha to Naoroji, Wacha writes that Naoroji had succeeded in proving Indian poverty and subsequently denaturalised the fallacy that India was rich; and as a result, all Indians admired Naoroji (Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, 2:783.). Also, Naoroji's "constant hammering" of the drain of Indian resources had paid off (Ibid., 2:718, 773.). Lord Curzon declared in a presentation on July 28 in 1904 that "Poverty there is in abundance [...] Misery and destitution there are. The question is not whether they exist, but whether they are growing more or growing less" (Lord George Curzon, *Speeches by Lord Curzon Of Kedleston, Viceroy and Governor-General Of India*, vol. 4 (Calcutta: Office of the Superintendent of Government Printing, 1906), 58.).

attempt to measure national income in 1871 for years 1867-1868 and found that the total national income of British India was 3.4 billion rupees for 170 million people or 20 rupees per capita.⁵⁶⁸ Naoroji tackled three questions in his first study:

1. What is the whole and actual material annual income in India?
2. What are the necessary and usual wants of Indians?
3. Does the answers to 1 and 2 equal each other or is one less or more than the other?⁵⁶⁹

Naoroji suggested that the answer to the third question would determine whether India was “progressing in prosperity or sinking in poverty.”⁵⁷⁰ Naoroji used official tables of production and Alan Atkinson’s work.⁵⁷¹ According to Naoroji, he could persuade the imperial government to remedy the increasing poverty by showing them facts. Naoroji believed that if he put his findings in a rigorous scientific format, facts could act as his armour.⁵⁷² He was nevertheless careful to assert that facts are always statements of truth. In a passage where Naoroji cites Jeremy Bentham, Naoroji utters that facts needed interpretation, which meant that researchers had to make value judgements about those facts. Additionally, he realised that humans can only observe a small number of those facts. There is, argued Naoroji, always a necessary element of belief when using scientific reports, which was an issue in India where frequent errors led to distrust.⁵⁷³

The British officials responded to Naoroji’s 20 rupees per capita income and calculated instead 27 rupees. The discrepancy was to be expected especially because Naoroji measured national income differently to the British officials. In Naoroji’s research, annual national income consisted of total domestic material production (agricultural, manufactures, mines and fisheries) and external profits from foreign trade.⁵⁷⁴ British scholars also included transport of domestic material production. According to Naoroji, national income should not include railway figures such as the associated profits, because railways only distributed goods around

⁵⁶⁸ Naoroji, *Poverty and Un-British Rule in India*, 31; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 501.

⁵⁶⁹ Naoroji, *Poverty and Un-British Rule in India*, 187; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 41.

⁵⁷⁰ Naoroji, *Poverty and Un-British Rule in India*, 188.

⁵⁷¹ Ibid., 326; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:8.

⁵⁷² Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:26, 61; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, 2:433; Naoroji, *Dadabhai Naoroji: Selected Private Papers*, 260–62.

⁵⁷³ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 11.

⁵⁷⁴ Naoroji, *Poverty and Un-British Rule in India*, 4, 220.

India. Material wealth, noted Naoroji, “must be produced from the materials of the earth till the great discovery is made of converting motion into matter.”⁵⁷⁵ Motion refers to railways and more generally to transport and infrastructure that distributed goods. Railways did not increase aggregate production or material income.⁵⁷⁶ In sum, Naoroji argued that national income consisted only of production figures and profits gained from international trade.

Naoroji also critiqued the way Indian statistics were compiled.⁵⁷⁷ There was geographic heterogeneity in India, which meant that government statistics could not be reliable because the averages covered a very large area of vast variation.⁵⁷⁸ Even though he was aware that some provinces did not have the required data to calculate full production any other way.⁵⁷⁹

Despite the methodological discrepancies and data collection issues, Naoroji dismissed the need to debate whether Indian per capita income was 20 or 27 rupees per year and still found it important to produce one national figure. Naoroji may have dismissed it because, as he noted, the difference between 27 and 20 was marginal.⁵⁸⁰ The difference was especially irrelevant, according to Naoroji, due to India’s skewed income distribution. Some of the Indian masses would not even have had 27 or 20 rupees per year. As long as the conclusions proved India’s poverty, the actual figure and even method seemed irrelevant. Nevertheless, Naoroji was engaging with a theoretical and methodological debate about what constitutes national income – i.e. as seen above do railways contribute to the national income or do they simply distribute the income across regions?⁵⁸¹ In the end, however, Naoroji preferred to use the most accepted figure, i.e. the British calculation of 27 rupees, and with that prove India’s extreme poverty.

Naoroji could now compare the income per capita with the average cost of living to find out whether Indians had enough income to survive. Naoroji calculated the aggregate average cost of living at 34 rupees. He found the figures 20 and 34 from first calculating the regional figures – see table 4 below. In conclusion, the cost of living was higher than the per capita

⁵⁷⁵ Ibid., 185, 185.

⁵⁷⁶ Ibid., 185.

⁵⁷⁷ Ibid., 3–142, 173.

⁵⁷⁸ Ibid., 174, 330; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 156.

⁵⁷⁹ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 156; Naoroji, *Poverty and Un-British Rule in India*, 174, 330. For further discussion on national income accounting during this period, see Alan Heston, “National Income,” in *The Cambridge Economic History of India, Volume 2: C.1757-c.1970*, ed. Dharma Kumar and Meghnad Desai (Cambridge: Cambridge University Press, 1983), 463–532.

⁵⁸⁰ Naoroji, *Poverty and Un-British Rule in India*, 311.

⁵⁸¹ It is interesting to note that recent secondary literature has calculated an income per capita of 31 rupees for 1875 (Paul Caruana-Galizia, “Indian Regional Income Inequality: Estimates of Provincial GDP, 1875-1911,” *Economic History of Developing Regions* 28, no. 1 (2013): 14.).

national income (34 versus 27). In Naoroji's own words, India's national income did not "provide the bare necessities of life."⁵⁸²

Table 4: Naoroji's national income accounting compared to costs of living for years 1867-1870⁵⁸³

Area	Production per Head (in Rs)	Three-fourths of cost of livings of inmates, or cost per head outside of jail (in Rs) ⁵⁸⁴
Central Provinces	22	23
Punjab	25	20
North-West Provinces	18	16
Madras	18	42
Bengal	19	23.12
Bombay	40	35

Naoroji then asserted that India was the poorest country in the world using Michael Mulhall's country rankings in his *Progress of the World*.⁵⁸⁵ According to Naoroji, these comparisons showed that India was 19 times worse off than England.⁵⁸⁶ It was now obvious to the Indian Economists that the facts proved that India suffered from extreme poverty.⁵⁸⁷

Dutt's studies of famines also showed how India had extreme poverty. Dutt crucially denaturalised the idea that India was inherently prone to famines. Dutt rejected the imperial discourse that blamed the famines on India's high population growth and dry climate. First, the Malthusian population trap, used by the imperial rulers to explain Indian famines, argued that famines occurred as an automatic mechanism to check population growth beyond the means of food production.⁵⁸⁸ To Dutt, however, India was not experiencing higher death tolls during

⁵⁸² Naoroji, *Poverty and Un-British Rule in India*, 31, 326.

⁵⁸³ Naoroji 1901, 31.

⁵⁸⁴ As no children stayed in prisons, the costs of inmates that Naoroji were obviously based on the needs of adults. Accordingly, Naoroji took three-fourths of the prison costs to account for the lesser needs of children in the aggregate population.

⁵⁸⁵ Naoroji, *Dadabhai Naoroji: Selected Private Papers*, 246.

⁵⁸⁶ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 310, 367; Naoroji, *Poverty and Un-British Rule in India*, 384, 564.

⁵⁸⁷ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:436; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 10; Dutt, *The Peasantry of Bengal*, 158; Naoroji, *Dadabhai Naoroji: Selected Private Papers*, 71.

⁵⁸⁸ Thomas Robert Malthus, *An Essay on the Principle of Population, as It Affects the Future Improvement of Society, with Remarks on the Speculations of Mr. Godwin, M. Condorcet, and Other Writers*, 1st ed. (London: J. Johnson, 1798); Dutt, *The Peasantry of Bengal*, 194–95; Simon Commander, "Malthus and the Theory of 'Unequal Powers': Population and Food Production in India, 1800–1947," *Modern Asian Studies* 20, no. 4 (1986): 661–701; Srinivasa Ambirajan, "Malthusian Population Theory and Indian Famine Policy in the Nineteenth Century," *Population Studies* 30, no. 1 (1976): 5–14.

famines due to a large population growth rate.⁵⁸⁹ Dutt noted that population growth was slower in India than in many other countries, including Britain, and Britain was far denser than India.⁵⁹⁰ Second, Dutt rejected the idea that India was inherently prone to famines due to its dry climate. Deaths from famines were double the normal rate in the 19th century experienced in India only a century earlier, despite the same climate.⁵⁹¹ Additionally, India had cultivated wheat centuries before the English.⁵⁹² Dutt's research aimed to show that imperial discourse had not understood why famine death tolls were dramatically higher in the late 19th century.

The cause of increasing death tolls during famines was rather the lack of access to food than the lack of supply. "It was not the want of food supply, but it was the want of money to buy food, which caused famines in localities where the crops failed."⁵⁹³ Dutt made it very clear in his speeches in Glasgow, 1901, and Madras, 1902, that the gravest problem of India was the increasingly severe famines caused by the impoverishment of the rural masses. Dutt agreed with the Famine report⁵⁹⁴ that there were stagnant real wages, along with rising food prices,⁵⁹⁵ which meant less access to food for especially farm labourers who were unable to support themselves. The lack of access to food was caused by several regressive imperial policies: first, India was forced to export grains to England when grains were needed for consumption in India;⁵⁹⁶ and second there were excessive land taxes.⁵⁹⁷ The high taxes led to rural indebtedness as peasants were forced to borrow from moneylenders, and a general lack of savings that exacerbated

⁵⁸⁹ For instance, Dutt, *Indian Famines, Their Causes and Prevention*, 17; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 92; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 122.

⁵⁹⁰ Dutt, *Indian Famines, Their Causes and Prevention*, 17; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:vi; Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 132.). Similarly, Naoroji cites Macaulay who had found that England was 10 times denser than India (Naoroji, *Poverty and Un-British Rule in India*, 269, 339; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:60.).

⁵⁹¹ Dutt, *Indian Famines, Their Causes and Prevention*, 19. Naoroji also noted higher death tolls during the late 19th century famines (Naoroji, *Poverty and Un-British Rule in India*, 19; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:51.).

⁵⁹² Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:94.

⁵⁹³ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 23., see also Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:51; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:60.).

⁵⁹⁴ Government Central Printing Office. 1898. *Report of the Indian Famine Commission*. Simla.

⁵⁹⁵ Dutt, *Indian Famines, Their Causes and Prevention*, 15; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 58.

⁵⁹⁶ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 99.

⁵⁹⁷ Dutt, *Indian Famines, Their Causes and Prevention*, 3, 118–19.

starvation during famines and prevented peasants from investing in more efficient agricultural techniques.⁵⁹⁸ I argue that this is a precursor to Amartya Sen's analysis of famines a century later. Sen found that Indian famines were caused rather by a lack of access to food than a lack of supply.⁵⁹⁹ It is interesting to note here that Sen only includes Dutt's works in his list of references but does not cite him anywhere in the text and Dutt is not cited in his later book, *The Idea of Justice*.⁶⁰⁰ In sum, according to Dutt and Sen later, India did not suffer from famines due to poor climatic conditions which caused a lack of supply, nor due to an excessive population size. Indians were instead lacking the ability to buy food due to increasing poverty.

Finally, Indian Economics identified the following causes of poverty or regression: first, India had an intrinsic disunity; second, the imperial drain of Indian resources; and finally, the ruralised economy. Firstly, Indian society had centrifugal tendencies. India's many religious and political groups, as well as castes, created a divided nation.⁶⁰¹ India suffered from internal discords, disorganisation and centrifugal forces that resented discipline and subordination, making India a "prey to disorder" and vulnerable to foreign invasion.⁶⁰² The discursive use of centrifugal is significant for two reasons.⁶⁰³ A centrifugal force is a scientific concept like organisms and evolution: physicists define it as a force that causes an object moving in a circular path to move out and away from the centre of its path.⁶⁰⁴ Society is again understood and explained through natural sciences analogies – to be discussed further below. Additionally, if Indian society is inherently divided, the political structure needs to include a representative group – e.g. members from various religions, castes etc.

⁵⁹⁸ Ibid.

⁵⁹⁹ Sen, *Poverty and Famines: An Essay on Entitlement and Deprivation*.

⁶⁰⁰ Amartya Sen, *The Idea of Justice* (Massachusetts: The Belknap Press of Harvard University Press, 2009).

⁶⁰¹ Ranade, *Rise of the Maratha Power*, 24, 29, 58, 92; Ranade, "Introduction to the Peishwa's Diaries"; Naoroji, *Dadabhai Naoroji: Selected Private Papers*, 374, 441, 460–61; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, 2:336; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:477; Dutt, *The Peasantry of Bengal*, 8; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:58.

⁶⁰² Ranade, *Select Writings of the Late Hon'ble Mr. Justice M.G. Ranade on Indian States*, 23. See also Ranade, *Rise of the Maratha Power*.

⁶⁰³ Ranade specifically uses the term centrifugal, whereas Naoroji and Dutt describes disunity as a natural weakness to India (Ranade, *Rise of the Maratha Power*, 24; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:58; Naoroji, *Poverty and Un-British Rule in India*, 206–7; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, 2:21.).

⁶⁰⁴ Centrifugal force. In: "Merriam Webster's Collegiate Dictionary" (Springfield, MA: Merriam-Webster, 2003), <https://www.merriam-webster.com/>.

There is a link between disunity and the second stage of societal change. Indian Economics, especially Ranade and Naoroji, are adamant that the imperial powers were attempting to divide India.⁶⁰⁵ It was, at least in part, imperialism harnessing centrifugal forces and regressing India back to the second stage. The interdependent tendency was not functioning, or rather the societal parts were not interacting with each other. India subsequently needed representative political institutions, which meant that India's centrifugal tendencies played a discursive role in Indian Economics' idea of development, to be discussed in the following chapter.

India was primarily severed due to religious, caste and linguistic disparities. The conflict between Hindus and Muslims hindered Indian progress.⁶⁰⁶ Dutt observed that "the masses of the people naturally divide themselves into two large communities, viz, the Hindu and the Mahomedan."⁶⁰⁷ Modern civilisation in England had broken caste-like institutions, which had united different classes, tribes, races and nations, but had not done so in India.⁶⁰⁸ In fact, argued Dutt, there were more castes in Indian Economics' contemporary India than in ancient times.⁶⁰⁹ Naoroji theorised that this disunity came from the slow diffusion of knowledge due to the multiple languages spoken. While in England, Naoroji wrote, "an idea in *the Times* is known over the whole length and breadth of the land within twenty-four hours, and the whole nation can act as a man."⁶¹⁰ The nation and society were again compared to an organism, like in the stadial theory above, society is equated to a human.

⁶⁰⁵ e.g. Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, 2:109.

⁶⁰⁶ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:477; Naoroji, *Dadabhai Naoroji: Selected Private Papers*, 441. For instance, Behramji Merwanji Malabari (1853–1912) (poet, publicist, author, and social reformer best known for advocating for women's rights and against child marriage) wrote to Naoroji on 28 May 1888 that the Hindus were spreading anti-Congress propaganda across India, most probably due to local jealousies and different castes (Ibid., 374.). Another example includes Bhowmuggree's article in the Asiatic review on Griffen's paper tries to defend the Parsi community for being disloyal to the Indians and it is Naoroji, Wacha etc. that attack the government. Wacha fears that his group, including Naoroji, are hated (Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:434.). Bhowmuggree and his friends tried to undermine Naoroji and his friends' goal to better the condition of all of India by speaking ill of and openly disagreeing with Naoroji in Parliament (Ibid., 2:511, 518, 521, 543.).

⁶⁰⁷ Dutt, *The Peasantry of Bengal*, 8.

⁶⁰⁸ Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 29; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:58.

⁶⁰⁹ Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:92.

⁶¹⁰ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 21.

Ranade offered two counterexamples of India's tendency for disunity, which helps us better understand how centrifugal forces fit into the idea of development in Indian Economics. In the first example, Ranade's *Rise of Maratha Power* shows how India's disunity needed to be properly handled in order to prevent disunity from regressing India. According to Ranade, the Marathi Emperor between 1674 and 1680, Shivaji, had ruled with a united vision, not distinguishing between class or caste.⁶¹¹ Once Shivaji was replaced and the united policy was removed, the Marathi Confederacy fell apart. According to Ranade, the departure from cooperation meant the "conversion of the organic whole into an inorganic mass."⁶¹² The natural analogies appear again. Ranade uses 'inorganic mass' here to explain how disunity harnesses regress and how collective cooperation, or unity, harnesses progress. Disunity brings decay and death. In the second counterexample, Ranade described how Balaji Vishwanath, the first Marathi Peshwa (the Prime Minister) from 1713 to 1720, understood that the confederacy "was a rope of sand, if it was not held together by a common tradition and a common patriotism."⁶¹³ Ranade's historical reading of India, such as the rise and fall of the Marathi Empire, illustrated the need for unity and a collective goal to harness progress. Indeed, the Indian Economists understood the need for national unity if they were to succeed in eventually becoming independent.

Indian Economics' second cause of Indian regression was the British drain of Indian resources, often described as the "bleeding" of India.⁶¹⁴ The drain theory was widely disseminated with Naoroji's writings, first published in 1870. However, the theory was not an original contribution by Naoroji, which he himself admitted. British officials had uncovered the drain earlier.⁶¹⁵ It was Naoroji, however, that elaborated upon and successfully spread the theory. Initially, he wanted to spread the idea in order to motivate the British to change their extractive policies. By the turn of the century, he had changed his mind: the drain, he felt, would

⁶¹¹ Ranade, *Rise of the Maratha Power*, 26.

⁶¹² Ranade, "Introduction to the Peishwa's Diaries," 8.

⁶¹³ Ranade 1900a, 94.

⁶¹⁴ e.g. Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 24; Naoroji, *Poverty and Un-British Rule in India*, 33, 638; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 62.

⁶¹⁵ As noted by the Indian Economists, the British condemned the drain. For instance, John Sullivan, a proprietor of East India stock, wrote "Upon extermination of a Native State, the Englishman takes the place of the sovereign, under the name of commissioner; three or four of his associates displace as many dozen of the Indian official aristocracy; while some hundreds of our troops take the place of the many thousands that every Indian chief supports. The little Court disappears—trade languishes—the capital decays—the people are impoverished—the Englishman flourishes, and acts like a sponge, drawing up riches from the banks of the Ganges, and squeezing them down upon the banks of the Thames" (John Sullivan, *Are We Bound by Our Tresties? A Plea for the Princes of India* (London: Effingham Wilson, Cornhill, 1853), 67; *British Rule in India: Condemned by the British Themselves* (London: The Indian National Party, 1915), 35.).

never stop until India became independent. Naoroji was adamant that research on the drain needed to be diffused, because it was both detrimental to India and Britain.⁶¹⁶ Like the income statistics above, the British did not agree with these statistics. Naoroji found it was a slow process to get the British to admit that the drain was an issue.⁶¹⁷

Naoroji compiled statistics to measure the drain. The calculations included: Indian war repayments for territorial wars that the British imperial administration had decided to fight, unrequited exports, home charges payable to Britain including British officials' pensions, land taxes because they were not spent in India, the absence of protection for India's infant industries, and the negative implications of even constructive efforts like the railways, which deprived many providers of traditional transport services and facilitated the import of British manufactured goods. Naoroji calculated an annual drain of 200 million pounds sterling.⁶¹⁸ According to Dutt, any other country under such a large drain would also suffer from famines – e.g. France, Germany, England and America.⁶¹⁹

The ideas of capital scarcity and the need for capital to progress are the most significant parts of Indian Economics' drain theory for my research question (what shaped the idea of development in Indian Economics).⁶²⁰ The drain theory has been written extensively on in the secondary literature, but my focus is slightly different. In my analysis, the drain theory exposes the role capital played in Indian Economics' conceptualisation of societal change. Both Naoroji and Dutt used J.S. Mill's work to argue that the potential for industrial growth was positively correlated to the availability of capital.⁶²¹ Naoroji hoped that such a widely accepted authority would make the British understand the dire consequences of the drain:

Many a time, in discussing with English friends the question of the material drain generally, and the above remarks on railways, irrigation works, etc., I found it a very difficult task to convince. Fortunately, a great authority enunciates the fundamental principles very clearly and convincingly, and I give them below, hoping that an

⁶¹⁶ Naoroji, *Poverty and Un-British Rule in India*, 641–47; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:617, 722; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 62.

⁶¹⁷ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, 2:74; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:718.

⁶¹⁸ Naoroji, *Poverty and Un-British Rule in India*, 33–37, 54.

⁶¹⁹ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 62.

⁶²⁰ All the Indian Economists agreed with Naoroji's drain theory – see Goswami, *Producing India: From Colonial Economy to National Space*; Ganguli, *Indian Economic Thought: Nineteenth Century Perspectives*; Chandra, *The Rise and Growth of Economic Nationalism in India*; Spengler, *Indian Economic Thought*.

⁶²¹ Naoroji, *Poverty and Un-British Rule in India*, 55–57; Dutt, *Indian Famines, Their Causes and Prevention*, 59.

*authority like that of the late Mr. Mill, will, on economic principles especially, command attention.*⁶²²

Naoroji employs J.S. Mill's discourse of how industry is limited by capital, and that capital and industry are interdependent. It followed then that employment was determined mostly by capital and slightly less so by aggregate demand.⁶²³ The drain essentially explained why India had neither capital nor sufficient demand. In Naoroji's own words, "the candle burns at both ends."⁶²⁴ The theory also explained why railways did not increase exchange, because railway profits were repatriated back to its foreign investors, i.e. profits made in India was sent back to its investors.⁶²⁵ As Naoroji noted, Mill had even identified the lack of accumulation in Asia, which was required to increase production.⁶²⁶ Finally, Dutt explained the need for capital in the rural context. He argued that the Permanent Settlement in Bengal had led to the accumulation of wealth and progress through lower taxes, fostering agricultural enterprise, extended cultivation and led to capital accumulation – see chapter 2 for more information on imperial land reform.⁶²⁷

Indian Economics' third cause of India's negative societal change was a lack of domestic manufacturing, leading to an increasingly dominant agricultural sector.⁶²⁸ Four fifths of India's population depended on agriculture.⁶²⁹ Ranade described the process as the "rustication" of India's economy.⁶³⁰ Britain systematically placed Indian industries at a disadvantage and had ruralised the Indian economy. Agricultural dependence was "the weak point of all Asiatic Civilization."⁶³¹ The proportion of raw produce to manufactured goods between India and Britain was four to one, compared to one to four between India and its neighbouring countries.⁶³² Recent scholarship seems to agree, finding that some two-thirds of the employed population in imperial India lived on agriculture or natural resource extraction.⁶³³ Washbrook

⁶²² Naoroji, *Poverty and Un-British Rule in India*, 55.

⁶²³ *Ibid.*, 217.

⁶²⁴ *Ibid.*, 56, see also 574.

⁶²⁵ *Ibid.*, 56.

⁶²⁶ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 106.

⁶²⁷ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:179; Dutt, *Indian Famines, Their Causes and Prevention*, 3, 58.

⁶²⁸ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 57, 115.

⁶²⁹ Dutt, *Indian Famines, Their Causes and Prevention*, 3.

⁶³⁰ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 29, 107.

⁶³¹ *Ibid.*, 94–95.

⁶³² *Ibid.*, 95; Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 124; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 90.

⁶³³ Chaudhary et al., *A New Economic History of Colonial India*, chap. 7.

also finds a trend of ruralisation: 60-65% were involved in agriculture in the 18th century compared to about 80% by the end of 19th century.⁶³⁴

There was a pressing need for Ranade and Dutt to explain why agriculture was not going to bring progress to India, because of the widespread European or Western belief in an international division of labour. Scholars such as Smith, List, Malthus and British officials assigned the duty of raw material production to the Asian regions and the duty of manufacturing to the advanced European region.⁶³⁵ Similar to Ranade and Dutt, Naoroji dismissed the assumption that greater natural resources led to more progress. Instead, the most important factor to Naoroji was invention, which was found primarily in manufacturing.⁶³⁶

Indian Economics was concerned about India's reliance on agricultural production for growth. Firstly, uncertain rainfall in India caused death and low growth, which meant that a mix of different industries could create a national insurance against recurrent droughts and bring about progress.⁶³⁷ Secondly, India's reliance on agriculture was problematic because it subjected India to "the bane of the Law of Diminishing Returns."⁶³⁸ Ranade drew from the widely diffused law of diminishing returns to explain why India was experiencing regression. The law of diminishing returns first appeared with Turgot. Malthus then included it into his essay on population and Smith seems to allude to it in his works. It was later picked up and further developed by Ricardo. The law of diminishing returns states that the returns to additional labourers must decrease at a certain point.⁶³⁹ The conceptualisation of such an idea in Classical Political Economy in England is not unsurprising as empirically the output was decreasing in England at the turn of the eighteenth century.⁶⁴⁰ The law explains a situation where as a farm hires more and more workers, eventually the returns to each additional labourer will decrease because the land can only accommodate so many workers and yield. In turn, the marginal monetary returns to agriculture decreases. Again, progress is limited by capital, which means that a rural economy will progress less and less, and perhaps even regress. Accordingly, Indian

⁶³⁴ Washbrook, "The Indian Economy and the British Empire," 63.

⁶³⁵ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 25–26; List, *National System of Political Economy*; Smith, *An Inquiry into the Wealth of Nations*; Mill, *The History of British India*; Mill, *Principles of Political Economy with Some of Their Applications to Social Philosophy*.

⁶³⁶ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 22–25.

⁶³⁷ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 28.

⁶³⁸ *Ibid.*, 27.

⁶³⁹ *Ibid.*, 53; Ricardo, *Principles of Political Economy and Taxation*; Smith, *An Inquiry into the Wealth of Nations*; Malthus, *An Essay on the Principle of Population, as It Affects the Future Improvement of Society, with Remarks on the Speculations of Mr. Godwin, M. Condorcet, and Other Writers*.

⁶⁴⁰ Edwin Cannan, "The Origin of the Law of Diminishing Returns, 1813-15," *The Economic Journal* 2, no. 5 (1892): 55.

Economics prescribes industrialisation for India – to be discussed further in the following chapter.

India's ruralisation was caused by imperialism because it had turned India into a dependent imperial economy – a term first used by Ranade.⁶⁴¹ According to Indian Economics, the British banking and transport monopoly (maritime and railways), as well as tariffs on Indian textile goods imported into Britain, had enabled the British to grow their domestic industrial sectors, while deindustrialising India. Additionally, foreign (mostly British) competition stifled Indian industrial progress – especially as tariffs on British goods imported into India were not allowed. The invention of the power-loom⁶⁴² and steam power further prevented Indian mills to compete and ruined the indigenous textile industry, leading to increasing migration to rural areas where conditions of scarcity and famines were exacerbating aggregate poverty.⁶⁴³ The native craft sector represented only 2.33% of the total craft sector with no signs of expanding.⁶⁴⁴ As seen in the last chapter, recent scholarship tells a similar narrative. The small-scale industry sector, primarily in textiles, experienced a dramatic decline starting in the late 19th century. All the Indian Economists understood the dependence and its various effects on Indian political and socio-economic change. Indian Economics' conceptualisation of dependence, I will argue, is a forerunner to 20th century dependencies – see chapter 5.

In sum, India was experiencing regression during imperial rule in the late 19th century. While a dominant British and imperial narrative argued that India had always been regressive, Indian Economics established that India's regressive state was primarily a consequence of imperialism rather than a result of inherent Indian weaknesses. Indian Economics was able to make such an argument thanks to a re-reading of Indian history, to which I shall now turn.

Progress in Indian Economics

The idea of progress or positive societal change in Indian Economics was constructed through a reading of India's prosperous past. As Ranade stated, the “stationary East” was a popular

⁶⁴¹ Mahadev Govind Ranade, *Ranade's Economic Writings*, ed. Bipan Chandra Pal (Delhi: Gian, 1990), 322–49; Naoroji, *Poverty and Un-British Rule in India*, 192.

⁶⁴² The power-loom is a mechanised loom powered by a line shaft and was one of the main components of the industrialisation of weaving during the British industrial revolution.

⁶⁴³ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 172–73, 291; Dutt, *The Peasantry of Bengal*, 229; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:256–69; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 32, 36–37, 61–63, 89–90; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:1; Bairoch, “International Industrialization Levels from 1750 to 1980.”

⁶⁴⁴ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 199.

fallacy.⁶⁴⁵ India had been the most developed country in the world around the 16th and 17th centuries in all spheres of society – economically, politically and intellectually.⁶⁴⁶ Also, in more recent history, Ranade uttered in 1890 that “India, fifty years ago, clothed herself with her own Manufactures, and now she is clothed by her distant masters.”⁶⁴⁷ India had previously experienced a trade surplus. The modern world was indebted to India, as well as other Eastern countries, so in “treating India as they were doing they were killing the bird that laid the golden eggs.”⁶⁴⁸ Indeed, according to Indian Economics, Europe had conquered India due to its prosperity.⁶⁴⁹ Even Europe had observed India’s relative prosperity during this earlier period. Subsequently, Indian Economics called for the restoration of India’s “proud position as the garden and granary of the world.”⁶⁵⁰ A widespread discursive use of “restoration”⁶⁵¹ to the “equilibrium”⁶⁵² and “reverses”⁶⁵³ portray the consensus among the Indian Economists that

⁶⁴⁵ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 26.

⁶⁴⁶ Naoroji, *Poverty and Un-British Rule in India*, 583–84, 652; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:3, 35, 95; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 61.. For instance, the Royal Asiatic Society had a catalogue of 163 manuscripts of 100 Persian and Arabic works on just history (Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 3, for other examples see 5-6.).

⁶⁴⁷ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 198, see also 173; Dutt, *The Peasantry of Bengal*, 231; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:161–62; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 106–7; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:70, 88, 206, 209.

⁶⁴⁸ Naoroji, *Poverty and Un-British Rule in India*, 651. Similarly, Dutt uttered “the golden cup was drained” (Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:115.), which was a phrase taken from Edmund Burke’s speech on the Nawab of Arcot’s debts.

⁶⁴⁹ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 33.

⁶⁵⁰ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 176., see also Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 148. Additionally, the Hindu civilisation had been at the highest level (Ibid., 99; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:8.).

⁶⁵¹ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 43; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 176.

⁶⁵² Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 31, 36, 135; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:92, 202; Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 40.

⁶⁵³ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 146–47; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:86; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 158–59.

India had previously been progressive but had since reversed. In sum, India had previously been at Indian Economics' third stage of progress with a large trade surplus – see figure 2 above.

India had previously had a strong industrial sector. Firstly, Ranade's *Rise of the Marathi Power* is an account of a past prosperous economy.⁶⁵⁴ Secondly, Ranade's examples of India's former steel and iron industries attempt to establish India's former "proud position."⁶⁵⁵ According to Ranade, the Indian iron industry had been able to supply all local demand, as well as export manufactured goods to foreign trade partners.⁶⁵⁶ For instance, Indian steel had once "even" been demanded in England for cutlery.⁶⁵⁷ Thirdly, Indian Economics realised that European travellers and scholars even agreed.⁶⁵⁸ For instance, Dutt cited George Smith,⁶⁵⁹ Munro,⁶⁶⁰ and Francois Bernier as having described India as a thriving manufacturing country.⁶⁶¹ In short, India had previously been an industrial economy, illustrated by an export surplus and some heavy industrial sectors.

The Indian Economists' observations of a progressive past led to two conclusions. Firstly, India's disunity had enabled foreigners to invade and take over the Indian economy, which had interrupted progress and growth.⁶⁶² As a result, India had regressed down the chain to the second stage of progress. Through examples of past progress, Indian Economics placed past India in a higher stage than my protagonists' contemporary time period. Secondly, India's prosperous past enabled Indian Economics, as I will demonstrate in chapter 5, to theorise that India had the necessary resources and capabilities to rise to the fourth or adult stage of

⁶⁵⁴ e.g. Naoroji, *Poverty and Un-British Rule in India*, 581–624; Ranade, *Rise of the Maratha Power*; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*.

⁶⁵⁵ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 176.

⁶⁵⁶ *Ibid.*, 171–72.

⁶⁵⁷ *Ibid.*, 172.

⁶⁵⁸ Naoroji, *Poverty and Un-British Rule in India*, 608; Dutt, *The Peasantry of Bengal*, 48; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:373.

⁶⁵⁹ George Smith (1765–1836) was a British Member of Parliament, banker and director of the British East India Company (Edward Dodwell, *Alphabetical List of the Honourable East India Company's Bengal Civil Servants, from the Year 1780, to the Year 1838* (London: Longman, Orme, Brown, 1839)).

⁶⁶⁰ Official in the British East India Company. For further discussion on his involvement in the discussions about village communities and private property rights, see chapters 2 and 5.

⁶⁶¹ Cited by Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:100, 259–60; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 79.

⁶⁶² Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 99–100; Ranade, "Introduction to the Peishwa's Diaries"; Ranade, *Select Writings of the Late Hon'ble Mr. Justice M.G. Ranade on Indian States*; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 6.

progress.⁶⁶³ As Naoroji argued, “India is capable, under natural circumstances, of providing twice, three times or more the expenditure, as the improvement of the country may need, in attaining all necessary progress.”⁶⁶⁴ India, he argued, would progress once the drain ceased and/or when India became independent.

The use of natural analogies in Indian Economics

Indian Economics’ understanding of stadial theory and in general how societies change was based on and informed by analogies and theories from the natural sciences. Indian Economics was part of the discursive trend in the 19th century of conceptualising society as an organism and working system of different functioning components that interact and depend on each other. Since the 18th century, scholars have attempted to understand and explain societal change by comparing observed changes in society to metaphors and analogies from the natural sciences. 18th and 19th century thinkers explained rapid change by evoking images of organisms growing.⁶⁶⁵ Social science became about identifying natural tendencies to explain societal change.⁶⁶⁶ Objects from the natural world such as plants and bodies offered tangible, visible and familiar concepts that could clarify the intangible, often invisible and opaque societal trends, shifts or movements.

19th century development discourse, including Indian Economics and thinkers such as Spencer, Comte, Maine, J. and J.S. Mill, John William Draper, the Saint-Simonians and Charles-Louis de Montesquieu loosely employed Darwin’s theory of evolution to theorise societal change.⁶⁶⁷ Societal change adhered to an order and to certain stages informed by social evolutionary theory.⁶⁶⁸

⁶⁶³ Naoroji, *Poverty and Un-British Rule in India*, 401; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 37.

⁶⁶⁴ Naoroji, *Poverty and Un-British Rule in India*, 365.

⁶⁶⁵ Nisbet, *Social Change and History: Aspects of the Western Theory of Development*; Foucault, *The Order of Things: An Archaeology of the Human Sciences*; Bernard Cohen, *Interactions: Some Contacts between the Natural Sciences and the Social Sciences* (Cambridge and London: MIT Press, 1994); Healy, “Social Change: Mechanisms and Metaphors.”

⁶⁶⁶ For example, Auguste Comte, *The Positive Philosophy of August Comte*, trans. Harriet Martineau, vol. 1–2 (London: J. Chapman, 1853), which will be discussed further below.

⁶⁶⁷ Charles Darwin, *The Origin of Species by Means of Natural Selection* (London: John Murray, 1859). For secondary literature on the diffusion of Darwin’s theory of evolution into the social sciences, see Burrow, *Evolution and Society: A Study in Victorian Social Theory*; Nisbet, *Social Change and History: Aspects of the Western Theory of Development*; Sophus A. Reinert, “Darwin and the Body Politic: Scheffle, Veblen, and the Shift of Biological Metaphor in Economics,” *Working Papers in Technology Governance and Economic Dynamics* (Tallin, 2006); Bury, *The Idea of Progress: An Inquiry into Its Origins and Growth*.

⁶⁶⁸ Burrow, *Evolution and Society: A Study in Victorian Social Theory*; Nisbet, *Social Change and History: Aspects of the Western Theory of Development*; Reinert, “Darwin and the Body Politic: Scheffle,

Darwin's theory of evolution offered three elements to studies of societal change: first, humans were a part of nature along with other animals, which meant that they could be systematically and scientifically analysed. Second, the theory provided a justification for social theorists to understand racial differences in terms of environmental variance over long periods of time, rather than ignoring disparities. Finding explanations for the differences helped to understand why, for instance, utilitarianism, which assumed that all men acted and reacted rationally in order to maximise their own self-interest, did not seem to hold in India. Social evolution helped to find discursive practices to recognise how context could affect different societal processes – e.g. it attempted to answer why Eastern populations seemed to behave irrationally.⁶⁶⁹ Finally, natural selection provided the idea of survival of the fittest to explain any societal changes or processes. The transfer of discursive practices from evolutionary to social evolutionary theory was however limited, as social theorists like Maine and Spencer understood that the ideas of survival of the fittest and universal change explained away too much complexity.⁶⁷⁰ Instead, social evolutionary theory employed historical and comparative analyses of specific societies to trace the history of local human institutions.⁶⁷¹

There are a few discursive practises and claims that show how Indian Economics adopted social evolutionary theory to inform their stadial theory. First, Ranade used the word “evolution,” explaining that the “theory of evolution has, in this country, to be studied in its other aspect of what may conveniently be called devolution.”⁶⁷² The intratextual analysis shows that Ranade is using the word “devolution” here to mean degeneration, regress or the opposite of evolution. He is not using the political economy definition where devolution means delegating or transferring power to lower levels especially from central to local governments.⁶⁷³ Ranade is essentially using another word, devolution, to denote the idea of regress in Indian Economics discussed above. Secondly, many of the Indian Economists had read Maine's work which

Veblen, and the Shift of Biological Metaphor in Economics”; Tilly, *Big Structures, Large Processes, Huge Comparisons*. For original works, see for example, Mill, *The History of British India*; Mill, *Principles of Political Economy with Some of Their Applications to Social Philosophy*; Maine, *Ancient Law*; Maine, *Village-Communities in the East and West: Six Lectures Delivered at Oxford*; Spencer, *The Study of Sociology*; Comte, *The Positive Philosophy of August Comte*; Draper, *A History of the Intellectual Development of Europe*; de Saint-Simon, *Social Organization: The Science of Man and Other Writings*; Charles Louis de Secondat Baron de Montesquieu, *Complete Works: The Spirit of Laws*, vol. 1–4 (London: T. Evans, 1777).

⁶⁶⁹ Burrow, *Evolution and Society: A Study in Victorian Social Theory*, 214–17.

⁶⁷⁰ Ibid., 114–15.

⁶⁷¹ Ibid., 153–54.

⁶⁷² Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 27.

⁶⁷³ For further analysis on the use of devolution in the idea of progress, see Bury, *The Idea of Progress: An Inquiry into Its Origins and Growth*, 78.

employs social evolutionary theory. For instance, Ranade and Dutt cites Maine while listing key works that have been translated into vernacular languages.⁶⁷⁴

Indian Economics' use of social evolutionary theory and natural analogies led to four discursive practices. First, societal change was assumed to be constant, while inertia was considered abnormal. Second, societal change spread across society because societal parts, like organs, were interdependent. Third, positive societal change occurred slowly. Finally, society moved from a simple to a complex state and from chaos to order, like organisms in evolutionary theory. The process from simple to complex is what informs the elements of each successive stage analysed above. Stage one is relatively more chaotic and the last stage is relatively more ordered.

Societal change spreads across society because each part or sector is interdependent. The relationship was explained by comparing society to objects from the natural world, leading to a functional understanding of societal parts that were ordered according to their level of importance. Conceptual histories of the discursive use of the body politic has shown that natural world elements were often used as an explanatory tool in the Indian Economists' contemporary period.⁶⁷⁵ For instance, J.S. Mill described it as the "Uniformities of Co-existence."⁶⁷⁶ In Indian Economics, Ranade was the most explicit in his use of analogies from the natural world to explain interdependence.⁶⁷⁷ Society was made up interdependent parts, meaning that change in one part led to a change in another. The dynamic was fundamental in understanding how to bring about positive societal change, i.e. development. Change could never *only* happen in one sector of society. Ranade's attributed this thinking to Telang,⁶⁷⁸ who understood that:

You cannot develop the chest without developing your other organs; you cannot starve yourselves and yet desire that your muscles shall grow and your nerves have the same

⁶⁷⁴ Ranade, *The Miscellaneous Writings of the Late Hon'ble Mr. Justice M.G. Ranade*, 31; Dutt, *The Peasantry of Bengal*, 177.

⁶⁷⁵ See Reinert, "Darwin and the Body Politic: Scheffle, Veblen, and the Shift of Biological Metaphor in Economics."

⁶⁷⁶ John Stuart Mill, *A System of Logic, Ratiocinative and Inductive: Being a Connected View of Evidence, and the Methods of Scientific Investigation*, vol. 2 (London: J. W. Parker, 1879), 509. See also Burrow, *Evolution and Society: A Study in Victorian Social Theory*, 84.

⁶⁷⁷ See Maria Bach, "What Laws Determine Progress? An Indian Contribution to the Idea of Progress Based on Mahadev Govind Ranade's Works, 1870–1901," *The European Journal of the History of Economic Thought* 25, no. 2 (March 4, 2018): 327–56.

⁶⁷⁸ Founder of the Bombay Presidency Association, a Bombay High Court judge and an INC member. He is most known for his essay on free trade versus protection, to be analysed in the following chapter. For more biographical information, see chapter 2.

*elasticity as before. There is an interdependence between the parts, so that it is not possible to do justice to one without doing justice to the other also.*⁶⁷⁹

In a later address,⁶⁸⁰ Ranade used similar discursive practices to explain that societal elements impact each other:

*You cannot have a good social system when you find yourself low in the scale of political rights, nor can you be fit to exercise political rights and privileges unless your social system is based on reason and justice. You cannot have a good economical system when your social arrangements are imperfect. If your religious ideals are low and grovelling, you cannot succeed in social, economical or political spheres. This interdependence is not an accident but is the law of our nature.*⁶⁸¹

The idea was that society, like a human body, cannot be “broken up into separate spheres of activities.”⁶⁸² Ranade’s discursive use of biological metaphors such as “body politic” implies that societal parts are dependent upon each other. A body’s eyes, skin and organs, like society’s social, economic and political spheres, are interconnected.

The focus in Indian Economics on the function of each societal organ had two main consequences. First, paying attention only to the function of organs and societal parts meant that more comparisons could be made across species and societies. As Foucault would argue later, there was a return to Aristotelian analogies where, for example, gills and lungs play the same function even if one is in water and the other is in air.⁶⁸³ Indian Economics employs a similar rationale for society: India would also benefit from law and order, and universal education because these societal institutions, or components, functioned similarly in India and Britain. (Nevertheless, Indian Economics did emphasise how differences in the Indian context led to varying outcomes of societal change, which will be dealt with in the following section below.) For instance, Ranade compared the imperial industrial policies in Java and India. He concluded that Java was able to progress more quickly than India thanks to the Dutch cultural system - specific development strategies will be discussed in the following chapter.⁶⁸⁴ Conceptualising societal change as a working system led to a focus on the functions of societal components and meant that institutions could be compared across regions.

The second consequence of conceptualising society as a functioning organism was ordering the societal parts according to their relative importance. A hierarchical pyramid of

⁶⁷⁹ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 152. The address, entitled “Commemoration Address: The Telang School of Thought,” was delivered at the ‘Hindu Union Club,’ Bombay in 1895.

⁶⁸⁰ A speech delivered at the Provincial Social Conference in 1900, Satara.

⁶⁸¹ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 282–83.

⁶⁸² *Ibid.*, 281.

⁶⁸³ Foucault, *The Order of Things: An Archaeology of the Human Sciences*, 284–89.

⁶⁸⁴ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, chaps. 70–104.

significance was created in which some societal institutions had a more pivotal role than others. There are three notable examples from the primary material that illustrate the ordering. First, Indian Economics theorised that social and educational elements tended to change before political or economic spheres.⁶⁸⁵ For instance, Ranade analysed how movements like the Protestant Reformation in Europe in the 16th century and the Marathi revolution at the turn of the 17th century had preceded any substantial economic positive societal change. Secondly, Naoroji observed how education had “produced its natural effects,” promoting civilisation, independence of character and creative thinking.⁶⁸⁶ Thirdly, Dutt labelled progress of ideas as an “an intellectual awakening,” which indicated to him that India was observing the first signs of positive societal change. In other words, social movements that changed the status quo and education, or what Naoroji and Dutt defined as moral improvements, were more important than economic or political changes. Political and economic change is not possible without social or cultural change. In other words, moral improvements in society were considered more vital than any material advancements, especially because moral change would have a greater impact on other societal spheres – be they economic or political.

The second discursive practice produced by employing social evolutionary theory was that alteration became the norm. Indian Economics assumed, similar to other 19th century interlocutors, that inertia was abnormal.⁶⁸⁷ Ranade asserted that society could never remain stationary⁶⁸⁸ and referred to the “natural growth of things”⁶⁸⁹ in reference to societal change. Similarly, Dutt observed a “path of progress”⁶⁹⁰ and “a natural development of ideas,”⁶⁹¹ while Ranade argued that the spread of liberal ideas could not be “stopped even though we may wish it.”⁶⁹² Indian Economics’ discourse is strikingly similar to Comte, whom both Dutt and Ranade cited elsewhere.⁶⁹³ Comte theorised that interests and processes that keep knowledge among the elite, monopolising it, could not continue forever. Ultimately, Comte argued, progress will

⁶⁸⁵ Ranade, *Rise of the Maratha Power*, 4; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 549; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:13.

⁶⁸⁶ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 549. See also Naoroji, *Poverty and Un-British Rule in India*, 396.

⁶⁸⁷ Nisbet, *Social Change and History: Aspects of the Western Theory of Development*, 313:166–68.

⁶⁸⁸ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 27–28.

⁶⁸⁹ *Ibid.*, 97.

⁶⁹⁰ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 161.

⁶⁹¹ Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:33.

⁶⁹² Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 168.

⁶⁹³ The discussion on stadial theory of progress will also analyse how Smith as well as other European scholars theorised that society passed through stages thanks to the diffusion of knowledge (Smith, *Adam Smith’s Political Philosophy: The Invisible Hand and Spontaneous Order*, 62.).

prevail.⁶⁹⁴ Finally, Naoroji utters that “it would be idle to stem the advancing tide of Progress.”⁶⁹⁵ In short, Indian Economics theorised constant change. As seen above, the change could either be positive or negative, or as Indian Economics labelled it, progressive or regressive.

The third discursive practice based on social evolutionary theory was that positive societal change occurred at a slow pace.⁶⁹⁶ For example, both Ranade and Dutt conceived that slow positive change brings sustainable positive societal change,⁶⁹⁷ because “every nation has had slowly to progress”⁶⁹⁸ and “the process of growth is always slow, where it has to be sure growth.”⁶⁹⁹ In other words, positive societal change would persist if it occurred slowly. Dutt thus prescribed slow steady “irresistible advancement.”⁷⁰⁰ It remains unclear whether all slow change was then positive. There is also no mention of the pace of negative change. The interdependence of parts discussed above explains why positive change had to be slow. As explained by Ranade, positive societal change, progress or growth, needs to be slow because “growth is structural and organic, and must take slow effect in all parts of the organism, and cannot neglect any, and favour the rest.”⁷⁰¹ In other words, Indian Economics theorised that positive societal change occurred gradually, because it took time for change to spread to all spheres of society. Another explanation for this is given by Indian Economics as well as Ferguson and Millar⁷⁰². The additional reasoning for slow change was that humans did not like sudden change.⁷⁰³ Instead, humans liked to change gradually, constantly looking for novelty and innovating. As recent research on the Scottish enlightenment discourse puts it, societal change was conceptualised as

⁶⁹⁴ Burrow, *Evolution and Society: A Study in Victorian Social Theory*, 9.

⁶⁹⁵ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:42, 45.

⁶⁹⁶ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 168, 170; Dutt, *Indian Famines, Their Causes and Prevention*, 321, 147; Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 47; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:xviii; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 14; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 21.

⁶⁹⁷ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 161; Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 168.

⁶⁹⁸ Dutt, *The Peasantry of Bengal*, 182.

⁶⁹⁹ Ranade, *The Miscellaneous Writings of the Late Hon'ble Mr. Justice M.G. Ranade*, 117.

⁷⁰⁰ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 161.

⁷⁰¹ Ranade, *The Miscellaneous Writings of the Late Hon'ble Mr. Justice M.G. Ranade*, 117–18.

⁷⁰² Millar theorised that humans made “gradual advances” (, quoted in Smith, *Adam Smith's Political Philosophy: The Invisible Hand and Spontaneous Order*, 63–64.).

⁷⁰³ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 168, 170; Dutt, *Indian Famines, Their Causes and Prevention*, 147, 321; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:xviii; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 14; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 21.

an evolutionary and not a revolutionary process.⁷⁰⁴ In sum, Indian Economics theorised slow positive growth, because alteration had to spread to all sectors of society and humans preferred incremental change.

Social evolution stipulated that there was a movement from chaos to order. Again, discourse associated with thinkers such as Maine and Spencer argued that history shows that society had moved from barbaric and chaotic to ordered and civilised.⁷⁰⁵ Indian Economics used similar discursive practices. For instance, Ranade's history of the *Rise of Maratha Power* has a chapter entitled "How order was brought out of chaos"⁷⁰⁶ describing how the Marathi were able to harness positive societal change through fostering order. Naoroji and Dutt also use the same discursive practice to acknowledge that the British has brought India some order.⁷⁰⁷ In other words, society transitioned from a state of chaos to one of order.

Another example of the transition from chaos to order includes Maine's popular thesis that customary law precedes contractual law. Adopting the thesis, Ranade, in an 1892 speech entitled "Social Evolution" at the sixth Social Conference in Allahabad, outlined how society moved from "constraint to freedom, from credulity to faith, from status to contract, from authority to reason, from unorganised to organised life, from bigotry to toleration, from blind fatalism to a sense of human dignity."⁷⁰⁸ In another passage, Ranade used the same discursive formulation to explain how society progresses from "the law of status to law of contract."⁷⁰⁹ India was still dictated by the law of status, and had not reached the progressive law of contract, contrary to Britain and other advanced western European countries.⁷¹⁰ Likewise, Dutt observed that "English society is surcharged with commercial notions, and whenever a class of people comes in close contact with another, a tacit contract and consequent intercourse arises almost spontaneously between such classes."⁷¹¹ Dutt found a relationship of status between *zamindars* and *ryots* (between landlords and peasants), and institutions that generally operate under the status or patriarchal system, like Maine theorised in his research on Indian village

⁷⁰⁴ Smith, *Adam Smith's Political Philosophy: The Invisible Hand and Spontaneous Order*, 63–64.

⁷⁰⁵ Burrow, *Evolution and Society: A Study in Victorian Social Theory*, 159, 190.

⁷⁰⁶ Ranade, *Rise of the Maratha Power*, 87–96.

⁷⁰⁷ Naoroji, *Poverty and Un-British Rule in India*, 219; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:79.

⁷⁰⁸ Ranade, *The Miscellaneous Writings of the Late Hon'ble Mr. Justice M.G. Ranade*, 116–17.

⁷⁰⁹ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 234. In another instance, he explains how social liberation tends "to be a change from the law of status to the law of contract" (Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 109.).

⁷¹⁰ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 24.

⁷¹¹ Dutt, *The Peasantry of Bengal*, 55–56.

communities.⁷¹² Indeed, both Ranade and Dutt are employing the 19th century dominant discourse that societies move from communal property to private property rights. As noted in chapter 2, the multidiscursive context included Maine's theories on the evolution of law.⁷¹³ Although Ranade and Dutt did not cite Maine in the particular passages given above, as mentioned, Ranade and Dutt would have read Maine's works.⁷¹⁴ In sum, like other 19th century interlocutors, Indian Economics assumed that progress included an implicit direction of society moving from status to contract.

Social evolution also stipulated that there was an overall trend from simple to complex systems. The major discursive practice to explain how societies changed from simple to complex systems was the human growth analogy. The dominant discourse conceptualised societal change with the same stages as a human: society passes through childhood, to youth, to manhood and old age.⁷¹⁵ Imperial discourse described Indians as children in an attempt to legitimise imperial rule.⁷¹⁶ As noted above, Indian Economics did, too.⁷¹⁷ For instance, in a passage in which Naoroji cited A.O. Hume,⁷¹⁸ Naoroji described India as a young nation that, like a child, had been helped by its British rulers, like parents, to progress. According to Naoroji, the time had come, however, for India to progress on its own, like adults live unaided by their parents: A.O. Hume "has made us to *crawl*; let us now walk erect *unaided*."⁷¹⁹ Naoroji was probably referring to the fact that A.O. Hume was one of the founders of INC, which meant, according to Naoroji, that A.O. Hume had helped Indians to become politically active, a part of positive societal change.

Another human growth analogy comes from Naoroji's citation⁷²⁰ of the widely read text in the 19th century, Draper's *History of the Intellectual Development in Europe*. Draper

⁷¹² Ibid., 56, 177; Dutt, *Indian Famines, Their Causes and Prevention*, 188; Maine, *Village-Communities in the East and West: Six Lectures Delivered at Oxford*.

⁷¹³ Maine, *Village-Communities in the East and West: Six Lectures Delivered at Oxford*; Maine, *Ancient Law*.

⁷¹⁴ Instead, Ranade cites Guizot, a French historian and statesman from the 19th century.

⁷¹⁵ Nisbet, *Social Change and History: Aspects of the Western Theory of Development*, 313:8.

⁷¹⁶ See chapter 3 for a discussion on the how the imperial discourse legitimised its rule in India by arguing that India needed the British to civilise its people and institutions – what is often labelled the civilising mission.

⁷¹⁷ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 30, 33, 383, 534; Naoroji, *Poverty and Un-British Rule in India*, 88, 205, 235, 345, 547; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:38; Ranade, *Rise of the Maratha Power*, 66; Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 148, 174; Ranade, *Select Writings of the Late Hon'ble Mr. Justice M.G. Ranade on Indian States*, 107; Dutt, *The Peasantry of Bengal*, 178–79, 182.

⁷¹⁸ For more information on A.O. Hume, see chapters 2, 4 and 5.

⁷¹⁹ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:31, see also 75.

⁷²⁰ Naoroji, *Poverty and Un-British Rule in India*, 51–52.

perceived an individual's growth as the miniature growth of a country.⁷²¹ A country had a political organism that advanced from a simple child to a complex adult. Societal change was dictated by similar tendencies seen in human growth.⁷²² Societal change followed a sequential progression, which meant that India was still perceived as a child in comparison to the West, and as an earlier version of the West.⁷²³ India was therefore in the child stage in the late 19th century – see section on stadial theory above.

In sum, Indian Economics employed social evolutionary theory to explain a unity between humans not because they were all the same, but because the variations represented different stages in the same process. The Indian child would eventually become like the Western adults. The useful and tangible concept of evolutionary social systems diffused quickly through the social sciences as it provided an explanatory tool to understand societal change.

The natural analogies are problematic. Firstly, evolutionary theory is actually based on the idea that you *cannot* predict change,⁷²⁴ while social evolutionary theory analysed above certainly assumed that they *could* predict future change by theorising that change occurred in stages. It seems thus that evolutionary and social evolutionary theory had different aims. I wonder how useful evolutionary theory is to our shared understanding of societal change. Secondly, visible and tangible objects may offer explanatory power: comparing observable objects renders societal elements easier to understand and communicate – as realised in the 18th century when discourse started to concentrate on the visible.⁷²⁵ Nevertheless, the use of natural science discursive practices, concepts and objects poses a few problems.

Firstly, natural analogies distort society's complexity, rendering societal elements too simplistic. Bakhtin's theory of dialogism illuminates the reason why social sciences cannot be compared to physical objects or the human organism.⁷²⁶ As established in chapter 1, dialogism theorises that language is the medium of ideology, making language indistinguishable from ideology. Ideology is not only an object within reality (natural or social) just like a physical object. Ideology, and therefore also language, rather reflects physical reality with additional elements outside of reality such as value judgements. Language can, as a result, affect and

⁷²¹ Draper, *A History of the Intellectual Development of Europe*.

⁷²² For secondary literature on how progress was conceptualised through human stages, see Bury, *The Idea of Progress: An Inquiry into Its Origins and Growth*, 312.

⁷²³ Burrow, *Evolution and Society: A Study in Victorian Social Theory*, 87.

⁷²⁴ Erik S Reinert, Jayati Ghosh, and Rainer Kattel, *Handbook of Alternative Theories of Economic Development* (Cheltenham: Edward Elgar Publishing, 2016).

⁷²⁵ Foucault, *The Order of Things: An Archaeology of the Human Sciences*, 144.

⁷²⁶ Voloshinov, *Marxism and the Philosophy of Language*, 9–15.

distort reality. Physical objects, on the contrary, equal only themselves.⁷²⁷ The idea that language can distort reality can justify how societal change cannot be described with natural science categories. Societal processes do not *only* include physical objects, or tangible and measurable trends, like the natural sciences does, but also includes elements outside of physical reality such as value judgements and norms. In sum, observable objects ignore and could explain away actual social events and experiences.

Secondly, employing natural analogies may restrict the area of understanding. Foucault has found that objects started to only be observed through four different variables: the form of elements, their quantity, how they were distributed in space in relation to each other and their relative magnitude.⁷²⁸ For example, a human's growth would be described through a visible change in height, form, weight etc. Scholars could now compare complex plants with the human body. It formed a link between what one could see and what one could say, but simultaneously limited and filtered the visible through the four-variable structure. Discourse, limited to the four-variable structure, meant that complex objects were narrowly described.⁷²⁹ In turn, the descriptions and subsequent understanding of objects were and are used to explain intangible societal processes. It seems then that using measurable and visible objects as research subjects leads to an inadequate understanding of societal change.

Furthermore, Indian Economics' use of decay to explain India's regression, seen in the subsection on regress above, could also be restricting the area of understanding and explanation. Decay applies to organisms decomposing and dying. On the one hand, decay seems to imply that moving down the chain means that some societal components and functions disappear, or they decompose and die. For example, the handicrafts industry from stage three to two disappears. Here decay helps explain a phenomenon that the Indian Economists observed. On the other hand, the natural analogy can restrict ways of meaning and views of the world. There are components in stage two that are not present in stage three. Thus, what has occurred from stage three to two is not *only* decay. In stage two, India has grown a dominant agricultural sector and a semi-feudal system not present in stage three. The arrow of regress, sometimes labelled as decay, from stage three to two does not explain the entire process. Indian Economics did not adequately explain these appearances through their discursive use of decay. I would argue then that associating regress to decay would limit the understanding of actual processes taking place in society.

⁷²⁷ Ibid., 9–11.

⁷²⁸ Foucault, *The Order of Things: An Archaeology of the Human Sciences*, 146–47.

⁷²⁹ Ibid., 151.

Finally, focusing on the functions of societal parts means that explanations ignore certain processes and mechanisms. Functional explanations indicate what a thing does, but not why or how it exists in the first place. For example, a functional explanation of political stability will inform us that it creates an environment of relative peace and prevents political revolutions or wars. It does not explain why or how political stability has occurred. The assumption of constant change in Indian Economics and how liberal ideas will inevitably spread explain that liberal ideas will bring about progress, but not how or why liberal ideas emerge within society. As Kieran Healy has concluded, when societal parts or trends that were deemed positive for society existed just because they were beneficial for society,⁷³⁰ further explanation was seldom sought.

In sum, Indian Economics used natural analogies that explained the mutual dependence of societal spheres through images of organs to support each other in order to survive. In turn, Indian Economics explained that societal change took place through the interaction between functional parts, some of which played a larger role in bringing about positive societal change. Indian Economics theorised that societal change followed a certain order, which they labelled social evolution, much like other interlocutors theorising societal change in the 19th century. Discursive practices from the natural sciences were employed to explain societal changes. To some extent, however, the natural analogies restricted the area of analysis.

Is Societal Change Universal?

Despite a relative consensus over stadial theory amongst the Indian Economists, there were divergences over whether societal change was universal across time and space. Some of the Indian Economists assumed universal tendencies of societal change, whereas other Indian Economists rejected universality. For the latter group, universality was not possible because the same societal movements and causal relationships were not experienced or observed everywhere. A similar debate took place in Europe, as examined in chapter 2. There was a transition in the 19th century from assuming universality to emphasising historical relativism, because thinkers like J.S. Mill argued that society's goals and needs could not be derived by assuming universal societal change. J.S. Mill's *Autobiography* represents the discursive shift particularly well, in which he criticised universal principles of human nature and insisted on the need for historical perspectives.⁷³¹ On a first reading, the Indian Economists seem to remain split over whether societal change was universal or not. After further textual analysis, however,

⁷³⁰ Healy, "Social Change: Mechanisms and Metaphors," 6.

⁷³¹ Burrow, *Evolution and Society: A Study in Victorian Social Theory*, 65.

it becomes clear that all the Indian Economists construct a stadial framework of societal change that each region or country passes through. India's distinctness is her child stage, the stage with a dependent imperial economy. The other stages applied to all global regions. The idea of development in Indian Economics then is more universal than has been previously documented.

A few of citations from the primary material illustrate various approaches to societal change. Ranade uttered that the

*The Laws of Social Progress in Wealth must be sought in the history of the general Social Evolution which is different in different countries.*⁷³²

While Naoroji argued that

*It is not the pitiless operations of economic laws, but it is the thoughtless and pitiless action of the British policy; it is the pitiless eating of India's substance in India, and the further pitiless drain to England; in short, it is the pitiless perversion of economic laws by the sad bleeding to which India is subjected, that is destroying India. Why blame poor Nature when the fault lies at your own door? Let natural and economic laws have their full and fair play, and India will become another England, with manifold greater benefit to England herself than at present.*⁷³³

Finally, Dutt theorised "fixed" laws that could have different causes depending on "different natural influences:"

*The laws are fixed and immutable, and the only differentiating causes are the different natural influences which produce different effects among nations.*⁷³⁴

While Ranade had founded Indian Economics to accommodate for India's specific experience of societal change, Naoroji and Dutt argued that as long as India had a just political system, i.e. non-extractive and representative, India would fall under the same laws of progress as any other country in the world.

Ranade critiqued Classical Political Economy for having unrealistic assumptions that portrayed societal change as universal across time and space. Ranade listed their assumptions as the following: 1. The national economy is individualistic and has no separate collective aspect; 2. Individuals are only self-interested; 3. The self-interest results in the largest production of wealth; 4. The pursuit of individual gains results in the highest general societal good; 5. Competition is the best regulator of the economy; 6. All state regulation encroaches on natural liberty; 7. Individuals know their best interest and can act on this will; 8. There is perfect freedom and equality within a contract between individuals; 9. Capital and labour are always freely mobile; 10. There is universal tendency for profits and wages to arrive at an equal level; 11.

⁷³² Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 12, see also 5.

⁷³³ Naoroji, *Poverty and Un-British Rule in India*, 216.

⁷³⁴ Dutt, *The Peasantry of Bengal*, 183.

Population tends to overtake means of subsistence; and 12. Demand and supply automatically adjust to each other.⁷³⁵ The assumptions, according to Ranade, were “literally true of no existing Community.”⁷³⁶ They could only apply to a static society and perhaps to England in Ranade’s time.⁷³⁷ Classical Political Economy could therefore not apply to India, because the assumptions were only applicable to societies with self-interested individuals that have equal bargaining power in a system with perfect factor mobility.⁷³⁸ Consequently, Ranade argued that Classical Political Economy was a utopic theory because it was based on the economic man and self-regulating economy.⁷³⁹ Ranade saw a need for a new idea of progress to explain India’s unique history and contemporary context.⁷⁴⁰

In the same passage with the list of the Classical assumptions, Ranade adopts Leslie’s⁷⁴¹ perspective that analysing dynamic reality within which the economy operated required an historical analysis of the “general Social Evolution.”⁷⁴² As noted above, Ranade followed an evolutionary approach to societal change, but such change manifested itself differently in different spaces and time periods. As Ranade wrote,

*If in Politics and Social Science, time and place and circumstances, the endowments and aptitudes of men, their habits and customs, their Laws and Institutions, and their previous History, have to be taken into account, it must be strange, indeed, that in the economical aspect of our life, one set of general principles should hold good everywhere for all time and place, and for all stages of Civilization.*⁷⁴³

Ranade’s discourse here shares similar discursive practices with those associated with the German Historical School. The German Historical School reasoned against one set of general principles for all civilisations across time, especially associated with earlier members of the school. For example, Wilhem Roscher, cited by Ranade, argued that general principles are incomplete abstractions and would have only agreed with national economics.⁷⁴⁴ Roscher believed that economists should concentrate on the particular structures of a given economy within a specific stage of industrial revolution.⁷⁴⁵ Another example includes Hildebrand, also an

⁷³⁵ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 9.

⁷³⁶ *Ibid.*, 10.

⁷³⁷ *Ibid.*, 10–12.

⁷³⁸ The factors are capital and labour (Kellock, “Ranade and After: A Study of The Development of Economic Thought in India,” 49; Goswami, *Producing India: From Colonial Economy to National Space*, 212.).

⁷³⁹ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 21.

⁷⁴⁰ Chandra, “Colonial India: British versus Indian Views of Development,” 123.

⁷⁴¹ An Irish jurist and economist from the nineteenth century.

⁷⁴² Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 11–12.

⁷⁴³ *Ibid.*, 5.

⁷⁴⁴ *Ibid.*, 20.

⁷⁴⁵ Wilhelm Roscher, *Principles of Political Economy*, vol. 2 (Chicago: Callaghan and Company, 1878). A full translation into English was published in the *Quarterly Journal of Economics*, October, 1894.

early member of the school, who criticised members of Classical Political Economy for trying to apply their theory to all territories across time.⁷⁴⁶ Like the German Historical School, Ranade theorised societal change as distinct across time and space.

On first glance, other Indian Economists seemed to disagree. In a correspondence between Wacha and Naoroji, Wacha directly tackled Ranade's essays on *Indian Economics*, in which the first chapter was the lecture Ranade held at Deccan College in 1892 laying out the founding text of Indian Economics to accommodate India's distinct societal tendencies.⁷⁴⁷ Wacha found much of the ideas "hardly worth a thought" and did not agree with Ranade's controversial ideas.⁷⁴⁸ Wacha urged Ranade to realise that there could be no compromise of principles. "True principles are like eternal truths: they will eventually come to be known."⁷⁴⁹ Wacha adhered to Naoroji's view that it was the distortion of economic laws that rendered India poor.⁷⁵⁰ If economic laws were allowed to play freely in India, India could become like England.⁷⁵¹ Similarly, Dutt maintained that "the same economic laws which create wealth or poverty in other parts of the world, create wealth or poverty in India."⁷⁵² Once India's unnatural political system was made natural, universal laws were applicable to India. India only seemed different from Britain due to the extractive policies and unrepresentative imperial administration. Specific Indian tendencies of societal change did not exist.

Naoroji and Dutt explained where and why universality did not apply to India due to unnatural interventions. The distortion of economic trends in India came from "unnatural" imperial actions that ignored Indian interests and needs.⁷⁵³ For instance, the economic drain of Indian resources was increasing poverty and preventing India's ability to progress. Naoroji wrote, "Owing to this one unnatural policy of the British rule of ignoring India's interests, and

⁷⁴⁶ Bruno Hildebrand, *Vademecum Zu Einem Klassiker Der Stufenlehren*, 1848.

⁷⁴⁷ See chapter 2 for more discussion on this first chapter of Ranade's *Indian Economics* (1906), which lays out the foundations of Indian Economics.

⁷⁴⁸ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:706–7.

⁷⁴⁹ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, 2:270.

⁷⁵⁰ Naoroji, *Poverty and Un-British Rule in India*, 216. For instance, Naoroji uttered that "Nature's laws cannot be trifled with, and so long as they are immutable, every violation of them carries with it its own Nemesis as sure as night follows day" (Ibid., 125.).

⁷⁵¹ Naoroji, *Poverty and Un-British Rule in India*, 125.

⁷⁵² Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 32, see also 64., see also Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 144; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:vii, xiv.

⁷⁵³ Naoroji, *Poverty and Un-British Rule in India*, 199, 249, 314; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 368; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:682, 715.

making it the drudge for the benefit of England, the whole rule moves in a wrong, unnatural and suicidal groove.”⁷⁵⁴ (The drain will be further analysed in chapter 4.) The political system had rendered universal economic laws inapplicable to late 19th century India.⁷⁵⁵ For instance, England would also have been poor if it had similar conditions to India, which meant that it was not an inherent Indian incapability. In fact, Draper’s *Intellectual Development of Europe* illustrated to Naoroji how Europe under the Crusades was tributary to the Pope’s drain of its economies, much like what Indian Economics’ contemporary India was going through.⁷⁵⁶ Naoroji and Dutt therefore concluded that it was not India’s natural endogenous incapability that was causing negative societal change.⁷⁵⁷ India could return to its natural position with universal societal change once independent and free of the imperial drain.

Again, the link between nature and society is clear here. Naoroji and Dutt use the term “unnatural” to explain India’s regressive state. The drain was an unnatural policy, because the policy harnessed regressive rather than progressive forces. Naoroji and Dutt also used the term suicidal, another concept more applicable to humans than society, to describe Indian economic policy.⁷⁵⁸ Indian Economics adhered to the 19th century discursive practice of comparing societal changes to phenomena in the natural world.

Dutt theorised the difference between India and England through a nature versus nurture dichotomy. As cited above, Dutt did not doubt that there were global fixed and immutable laws, however, there were still differences that emerged through natural and historical influences, which caused diverse effects across countries:⁷⁵⁹

*there are a thousand and one different conditions which, like the minute wheels of an engine, regulate and modify the action of any particular maxim or institution, and that these conditions are widely different in India from what they are in England.*⁷⁶⁰

⁷⁵⁴ Naoroji, *Poverty and Un-British Rule in India*, 125.

⁷⁵⁵ Ibid., 249.

⁷⁵⁶ Ibid., 51–52. Similarly, Dutt wrote the following: “Place any other country under the same condition, with crippled industries, with agriculture subject to a heavy and uncertain Land Tax, and with financial arrangements requiring one-half of its revenues to be annually remitted out of the country, and the most prosperous nation on earth will soon know the horrors of famine” (Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:xiii.).

⁷⁵⁷ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 514–15; Naoroji, *Poverty and Un-British Rule in India*, 51–52; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 161–62.

⁷⁵⁸ e.g. Naoroji, *Poverty and Un-British Rule in India*, 125; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 161–62.

⁷⁵⁹ Dutt, *The Peasantry of Bengal*, 183.

⁷⁶⁰ Ibid., 97, see also 183–188.

Indian conditions were not adhering to universal societal change. Naoroji offered another example. While the British declared a rise in prices in India as a sign of progress, Naoroji observed other reasons why prices may rise. A natural healthy development of foreign commerce could be the cause of rising prices – i.e. a trade surplus – which can increase a country's wealth and capital. However, the lack of communications in India meant that produce produced near the seaports were exported, not due to higher prices, but because otherwise the produce would perish. Moreover, some exports were also compulsory. States such as Bengal and Madras exported rice at any reasonable price, even when interior parts of India were experiencing scarcity or famine.⁷⁶¹ Higher prices had only been local and temporary in areas with railway investments, and during bad seasons.⁷⁶² Aggregate prices had actually decreased.⁷⁶³ Consequently, rising prices in India could not mean positive societal change with inadequately developed communications and forced food exports, especially during periods of scarcity.

In other instances, Naoroji and Dutt employed universal principles. For example, Naoroji's use of universal principles from Classical Political Economy to explain India's regressive state. Naoroji used J.S. Mill's theory that demand for commodities is not demand for labour and that industry is limited only by capital.⁷⁶⁴ Naoroji's following section in the text is entitled "Their⁷⁶⁵ Application to India" and outlined whether Classical Political Economy applied to India.⁷⁶⁶ Naoroji argued that if both J.S. Mill's principle that industry is limited by capital and India's economic drain were accepted, then India's poverty would no longer seem paradoxical. It would also help explain why the railways did not lead to more output, because the railway profits would go back to England. The export of such profits decreased the potential increase in Indian demand. If more capital would have stayed in India, aggregate demand could have increased.⁷⁶⁷

To illustrate universality, Naoroji and Dutt used examples from European and American history. Once the United States became independent, it had "ordinary laws of political

⁷⁶¹ Naoroji, *Poverty and Un-British Rule in India*, 63–64.

⁷⁶² *Ibid.*, 80.

⁷⁶³ *Ibid.*, 72.

⁷⁶⁴ *Ibid.*, 55.

⁷⁶⁵ Naoroji is referring to J.S. Mill's theories cited in the previous passage (discussed at length in the last section).

⁷⁶⁶ Naoroji, *Poverty and Un-British Rule in India*, 56.

⁷⁶⁷ *Ibid.*

economy.”⁷⁶⁸ Another example includes Naoroji’s dismissal of Mr. Crawford’s⁷⁶⁹ historical analysis, because the study assumed that Europe had not had bad governments like in Asia. If, uttered Naoroji, Crawford had compared the ancient civilisations of Europe and Asia, his comparison would have yielded more accurate conclusions. Instead, Crawford had compared the old Asiatic civilisation with the advanced European civilisation.⁷⁷⁰ Despite differences across time and space, Naoroji and Dutt asserted that “the same great historical causes often affect and control the march of events, simultaneously in the east and the west.”⁷⁷¹

While Naoroji and Dutt seem to be in disagreement with Ranade over the question of universality, their discursive practices led to similar conclusions. Naoroji, Dutt and Ranade agreed that India was being regressed by imperialism. India was therefore not following universal societal change because imperialism was distorting societal change. India had regressed down the chain to the child stage of imperialism. Once India could reduce its drain of resources to Britain, industrialise and acquire native representation in the administration etc., India would progress to the adult stage. Ranade’s rejection of universal societal change is only across stages. Ranade ultimately adopted several universal ideas of societal change and development such as industrialisation. What was distinct to India was its child stage of imperialism, not its earlier or later stages. In short, Indian Economics adopted a universalistic view of development as long as progress was seen as a stadial process where each stage had its own characteristics – for more discussion on universalism see chapter 5.

Conclusion

The idea of societal change in Indian Economics conceptualised a bidirectional linear trajectory of four stages. India had transitioned from the infant to adolescent stage before British imperialism. Since the appearance of the British, India had regressed down the chain to the child stage where extreme poverty was especially alarming. While many of the discursive practices in Indian Economics are similar to other European interlocutors, Indian Economics’ identification of regression and India’s child stage are distinct. Indian Economics’ stadial societal change, the distinction between progress and regress, and Indian Economics’ use of natural analogies created a discourse that presumed to understand the processes of causes and

⁷⁶⁸ Ibid., 37.

⁷⁶⁹ Naoroji presented his observations on Mr. Crawford’s paper “on the European and Asiatic Races” read before the Ethnological Society, London, 27 March, 1866 (Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 1–45.).

⁷⁷⁰ Ibid., 1, 22–25.

⁷⁷¹ Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:11, see also 152.

effects, which meant that India could be freed from backward regressive traditions and institutions through the newly acquired knowledge or science. In other words, the understanding of India's negative societal change in Indian Economics could help the Indian Economists to construct an effective intentional plan to harness positive societal change, namely development.

Chapter 4 – The Idea of Development in Indian Economics: The Intentional Plan to Harness Progress, 1870-1905

*A due co-ordination of the three-fold forms of industrial activity, even if it be not immediately most advantageous to individuals in any one period, is paramount National Insurance against recurrent dangers, and as such is economically the most beneficial course in the interests of the Community.*⁷⁷²

Mahadev Govind Ranade

*The merit or good of every remedy will depend upon and be tested by its efficacy in stopping this deplorable drain, without impairing the wants of the administration, or checking India's natural progress towards prosperity.*⁷⁷³

Dadabhai Naoroji

*A wise Government tries to foster and improve, not to sweep aside, the ancient institutions of a country, when they are consistent with modern progress.*⁷⁷⁴

Romesh Chunder Dutt

Once Indian Economics had understood and conceptualised societal change through the ideas of regress and progress,⁷⁷⁵ Indian Economics could construct an intentional societal plan, development, to harness progressive forces in India. Indian Economics prescribed balanced growth or progress where all sectors of the economy needed to be developed, as is clear in Ranade's quote above. (Remember that progress and growth were used synonymously in this period.) I demonstrate below that the idea of development in Indian Economics provided an institutional architecture for a progressive India. I argue that the institutional architecture is a precursor to 20th century balanced growth theories, uncovering Indian Economics' discursive creation at the margins of development discourse.

I am assigning agency to relatively marginalised economic thinking. I dispute the claim that the idea of development in Indian Economics lacked creative thought or novelty, which a majority of 20th century literature concludes.⁷⁷⁶ Much attention has been given to Naoroji's drain theory and its contribution to a critique of imperialism. However, I demonstrate below that the

⁷⁷² Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 28.

⁷⁷³ Naoroji, *Poverty and Un-British Rule in India*, 201.

⁷⁷⁴ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:151.

⁷⁷⁵ See chapter 3.

⁷⁷⁶ e.g. Chandra, *The Rise and Growth of Economic Nationalism in India*; Chandra, "Colonial India: British versus Indian Views of Development"; Kellock, "Ranade and After: A Study of The Development of Economic Thought in India"; Gopalakrishnan, *Development of Economic Ideas in India, 1880-1914*; Torres, "The Ideological Component of Indian Development"; Ganguli, *Indian Economic Thought: Nineteenth Century Perspectives*; Spengler, *Indian Economic Thought*. See last section of chapter 2 for a full discussion on the secondary literature.

drain theory was only one component of Indian Economics' idea of development. As seen in Naoroji's quote above where he emphasises both the need to reduce the drain and the need to consider how to harness Indian progress: "without [...] checking India's natural progress towards prosperity."⁷⁷⁷ Naoroji, along with other Indian Economists, was also aiming to propose institutional requirements that would harness Indian progress rather than only reducing the drain. India needed a plan that fostered balanced growth, requiring that capital was reinvested into the industrial and agricultural sectors. The capital should not be sent to Britain – as the drain theory conceived. India would harness progress only if a balanced growth strategy were implemented.

This chapter analyses the discursive interactions between existing texts (e.g. Smith's *Wealth of Nations* and List's *National System of Political Economy*) and Indian Economics' writings (e.g. citations of and similar discursive practices in the aforementioned texts) as well as the connection between mostly British elites and the Indian Economists (e.g. letter exchanges and newspaper articles). My analysis exposes the multidiscursive nature of Indian discourse on development. Indian Economics' development discourse had multiple perspectives, styles, references and assumptions taken from, for example, the Indian Economists' British university education, and from European and British texts available in India.

Indian Economics' development discourse was impacted by the available discursive resources based on the Indian Economists' own experiences, education and dialog in India. Theories taught to the Indian Economists were dominant partly because they were taught by their professors and uttered by their rulers. Discursive practices, norms and ideas that come from professors and rulers are much less critiqued and more accepted. Nevertheless, Indian Economics successfully pushed at the discursive boundaries within existing thought to make discursive space for the Indian context, despite the marginal position of Indian Economics and its economists' education in dominant development discourse.

The first section will lay out the institutional architecture prescribed by Indian Economics, which included the following elements: order, industrial and agricultural policies, public spending on infrastructure, social reform and reinvestment or reducing the drain. The second section lays out the arguments for how the elements were seen as part of an institutional framework that would foster balanced growth.

⁷⁷⁷ Naoroji, *Poverty and Un-British Rule in India*, 201.

Elements of Development in Indian Economics

Indian Economics prescribed several elements needed to harness positive societal change or progress. I have categorised them into the following categories: order, industrial and agricultural policies, public spending on infrastructure, social reform and reinvestment or drain reduction.

Order

Order was necessary for progress. In Indian Economics, order generally had two distinct meanings. The first referred to political organisation and the need for cooperation to keep political stability.⁷⁷⁸ The second explained how the drain of Indian resources caused economic disorder. I shall deal with the first below and the second in a later subsection on reinvestment or drain reduction.

Order that pertained to political organisation was particularly pertinent in a country of disunity where several societal groups often struggled to maintain political stability, making it difficult to implement the necessary industrial, agricultural and social policies to harness balanced growth. Indian Economics found late 19th century India disorderly and disorganised, and hence regressive. An ordered government could rectify the disorder through collective action, or the preferred terms in Indian Economics, “cooperation,” and “unity.”⁷⁷⁹

Indian Economics saw a need for order to harness balanced growth. As recent scholarship shows, order has been equalled to progress at least since the Saint-Simonians in the early 19th century.⁷⁸⁰ The idea that order was an ingredient for progress was therefore not an original discursive practice. However, Indian Economics actively assimilated the idea to their own contextual examples, pushing at the boundaries of the existing discursive space.

⁷⁷⁸ e.g. Ranade, *Rise of the Maratha Power*, 90; Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 150; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:35; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dadabhai Naoroji*; Naoroji, *Poverty and Un-British Rule in India*.

⁷⁷⁹ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, 2:182; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:537; Naoroji, *Dadabhai Naoroji: Selected Private Papers*, 51; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*; Dutt, *Indian Famines, Their Causes and Prevention*, 320; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:324; Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 102–3.

⁷⁸⁰ e.g. Tilly, *Big Structures, Large Processes, Huge Comparisons*; Cowen and Shenton, *Doctrines of Development*, 28–35; Abdallah Zouache, “Economic Thought and Institutional Change in France and Italy, 1789–1914,” in *Economic Thought and Institutional Change in France and Italy, 1789–1914*, ed. Riccardo Soliani (Cham: Springer, 2017), 167–75.

Indian Economics proposed three elements needed to create order in the Indian context. Firstly, Indian Economics assigned the creation of order to a select few.⁷⁸¹ For instance, Ranade concluded that each society needed “Gurus of the future” based on an historical analysis of the Rishi.⁷⁸² According to Ranade, the Rishi were the pioneers of Indian civilisation in the South and some other areas (they were integrated into the Brahmin caste as the foreigners, first the Mughals then the British, invaded India).⁷⁸³ These select few needed a “larger vision” to be able to teach society to distinguish between progressive and regressive societal forces.⁷⁸⁴ There are similarities here with the theory of trusteeship that emerged in the Saint-Simonians’ work in the early 1800s. According to the Saint-Simonians, for a society to create order it needed to assign people who had the capacity to effectively use available resources (land, labour and capital) for the greater good of society. More precisely, property was to be placed in the hands of trustees, chosen on their ability to decide where and how society’s resources should be invested.⁷⁸⁵ According to Enfantin’s *Doctrine de Saint-Simon*, the trustees would be bankers who had most knowledge and connections to choose what was efficient to produce.⁷⁸⁶ Bankers tended to have more knowledge because they lived in the local areas and had a better view of what the local area needed – more discussion will follow on the banking system in the next subsection on industrial policies.

Despite the similarities, the two theories of trusteeship are different in scope. Ranade emphasised the need to create order through progressive ideas, whereas the Saint-Simonians are concentrating on creating order through the efficient use of resources. As Ambedkar said about Ranade’s development ideology, Ranade argued that social as well as political and economic freedom were necessary for progress.⁷⁸⁷ As shall be shown in the subsection on social

⁷⁸¹ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 94; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 117; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 143.

⁷⁸² Rishi comes from Vedic and denotes a hymn poet from the Vedas, a large body of knowledge text from the South Asian subcontinent (Hartmut Scharfe, *Handbook of Oriental Studies*, vol. 16 (Brill, 2002), 13–15.)

⁷⁸³ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 295–304.

⁷⁸⁴ *Ibid.*, 89, see also 303.

⁷⁸⁵ de Saint-Simon, *The Doctrine of Saint-Simon: An Exposition; First Year, 1828-1829*, 103–10; Cowen and Shenton, *Doctrines of Development*, 25–26.

⁷⁸⁶ Prosper Enfantin, *Économie Politique et Politique: Articles Extraits Du Globe* (Paris: Bureau du Globe, 1831), 202. The book was supposedly written by several of the Saint-Simonians as a comprehensive work describing the ideas and theories of the school. The work was translated into English by Georg Iggers in 1958.

⁷⁸⁷ Ambedkar (1891-1956) was an Indian jurist, economist, politician and social reformer (Ambedkar, *Ranade, Gandhi & Jinnah.*).

reform, Ranade maintained that progress was created first through progressive ideas (pushed along with social reform), which then harnessed progressive forces.

Still, in other parts of the writings associated with the Saint-Simonians and Classical Political Economists, it is clear that the European interlocutors also saw a need for progressive ideas. For instance, J.S. Mill proposed that universal public education would bring about such progressive ideas – a rather broad category including electoral and land reform, birth control and equality for women as well as the rights of labour.⁷⁸⁸ I return to these issues in the subsection on social reform below.

Secondly, order was to be created through a balanced distribution of power between central and local governments. The Indian Economists explained how local governments and institutions should be elastic, because a gradual absorption of local groups into a central organisation was an inevitable and desirable part of progress, while extreme centralisation was unwise. In a paper on “Local Government in England and India,” Ranade narrated the gradual transition from small local units of organisation to a larger democratic political structure:

*four distinct stages of growth in the history of these Local Institutions, and the different Nations of Asia, the old Mediterranean Republics, modern Europe, and the Colonial Empires of Europe and America, have each contributed in their own way to the symmetrical development of the little Parish unit into the great Confederacy of States, which appears to be evidently the destined form of the future Political Organization of the Human Family.*⁷⁸⁹

Similarly, in a passage cited by Naoroji, there is an account of the ruler, Maharaja Chamarajendra Wadiyar X, of the southern princely state of Mysore after it had been reconstituted and restored to the Wadiyar dynasty (it had previously been under direct rule of the British Raj). The text narrates how Chamarajendra Wadiyar X from 1881-1894 substantially improved the state’s political and economic condition by creating an ordered, democratic and representative local and central power structure. At first the

*reign was necessarily very highly centralised. The Dewan, or the Executive Administrative Head, had the direct control, without the intervention of Departmental Heads of all the principal departments, such as the Land Revenue, Forests, Excise, Mining, Police, Education, Mujroyi, Legislative. As the finances improved, and as Department after Department was put into good working order and showed signs of expansion, separate Heads of Departments were appointed.*⁷⁹⁰

⁷⁸⁸ Mill, *Principles of Political Economy with Some of Their Applications to Social Philosophy*, 147, see also 202, 210. For further discussion on how all the Classical Political Economists unanimously advocated for universal education, see Pierre N. Tu, “The Classical Economists and Education,” *Kyklos* 22, no. 4 (1969): 691–718.

⁷⁸⁹ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 234.

⁷⁹⁰ Naoroji, *Poverty and Un-British Rule in India*, 623.

Although not explicit in the text, Naoroji must have been aware that this Maharaja set up the first modern, democratic legislative institution in princely India.⁷⁹¹ The following paragraph in the text explains how the state managed to accrue more and more wealth, which paid for education programmes and irrigation projects.

Similarly, Ranade paraphrased J.S. Mill to explain how the Indian government should be structured with balanced power between the central and local state bodies:

*[P]ower must be localized, while knowledge, especially technical, is most useful when subordinated to a central control. The principal business of the Central Authority should be to give instructions, and to lay down fixed principles, and it should leave the local bodies to apply them in practice.*⁷⁹²

The central and local institutions and governments should have different roles and powers, creating an order that would enable an institutional structure that would harness balanced growth. Ranade also cited J.S. Mill to explain that the central government should decide on a set of instructions and principles that the local governments would apply. Similarly, Charles Lewis Tupper argued for balanced power between the central and local bodies,⁷⁹³ a notion that Ranade found particularly useful for the Indian context. Balanced order between local and central governmental bodies resulted in higher public wealth that could and should pay for essential elements of development – such as education, industrial investment, rural development etc. In sum, Indian Economics theorised that the balance between local and central power produced progress.

Finally, order could be created through cooperation. The central government's role was to cooperate with different societal groups, creating a system of responsibilities that would align India's varied interests. Ranade paraphrased Carey and Sismondi to argue that coordinating power was paramount because it "checked the tendency of individuals to seek immediate gain at the sacrifice of permanent National interests."⁷⁹⁴ It was especially pertinent in the late 19th century, because cooperation had been lost in India and hence needed to be restored:⁷⁹⁵ "no

⁷⁹¹ T. Royall Chetty, *A Brief Sketch of the Life of Raja Dharma Pravina* (Bangalore: T.R.A. Thomboo Chetty, 1909).

⁷⁹² Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 260.

⁷⁹³ Charles Lewis Tupper, *Our Indian Protectorate: An Introduction to the Study of the Relations between the British Government and Its Indian Feudatories* (London: Longmans Green and Company, 1893), 346–47, 407–10.

⁷⁹⁴ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 19.

⁷⁹⁵ Naoroji, *Dadabhai Naoroji: Selected Private Papers*, 17; Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 14, 40, 118, 154; Dutt, *Indian Famines, Their Causes and Prevention*, 320; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:324; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 162.

progress is possible without such co-operation.”⁷⁹⁶ In a letter exchange between Wacha and Naoroji, Wacha worried about the conflicts between Hindus and Muslims, which were “sure to have an adverse influence on progress.”⁷⁹⁷ Indians had to unite to progress.

Debates around cooperation were also seen in Europe a few decades before the Indian Economists’ time. For instance, List emphasised cooperation for Germany where he who worried about Germany disunity – a debate that had started before his time in Germany.⁷⁹⁸ List’s particular contribution to this discourse was his founding of the Trade and Commerce Union because he saw economic (along with political) unification vital for the success of a countrywide union.⁷⁹⁹ (A discussion on List’s economic ideas will follow in the next subsection.)

The Indian Economists read List, as discussed in chapter 2, and admired both his political ideas to do with cooperation and his economic ideas of protection – as secondary literature confirms.⁸⁰⁰ For instance, Dutt wrote that “The contributions of the German race to modern civilisation and modern thought are of a very high order.”⁸⁰¹ List and the German Historical School were cited in several of the Indian Economics’ texts.⁸⁰² As far as I am aware, the Indian Economists did not speak or read German. Dutt even said so: “I never learnt German well enough to read the great works of modern German historians in the original.”⁸⁰³ However, the English version of List’s *National System of Political Economy* was translated into English as early as 1856. Also, several of the Indian Economists travelled widely all over Europe and America, which would have exposed them to these ideas – e.g. Dutt wrote several pieces on his travels.⁸⁰⁴ Finally, the Indian Economists were encouraged to read widely. As Dutt noted, “My Sanskrit Professor,

⁷⁹⁶ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 294, see also 246.

⁷⁹⁷ Naoroji, *Dadabhai Naoroji: Selected Private Papers*, 441.

⁷⁹⁸ Roman Szporluk, *Communism and Nationalism: Karl Marx versus Friedrich List* (Oxford: Oxford University Press, 1993); Eugen Wendler, *Friedrich List (1789-1846): A Visionary Economist with Social Responsibility*, trans. Donna Blagg, vol. 16 (Berlin: Springer, 2014).

⁷⁹⁹ Wendler, *Friedrich List (1789-1846): A Visionary Economist with Social Responsibility*, 16:37.

⁸⁰⁰ e.g. Chandra, *The Rise and Growth of Economic Nationalism in India*; Chandra, “Colonial India: British versus Indian Views of Development”; Goswami, *Producing India: From Colonial Economy to National Space*; Dasgupta, *A History of Indian Economic Thought*; Gopalakrishnan, *Development of Economic Ideas in India, 1880-1914*; Ganguli, *Indian Economic Thought: Nineteenth Century Perspectives*; Chatterjee, *Nationalist Thought and the Colonial World: A Derivative Discourse*; Chatterjee, *The Nation and Its Fragments: Colonial and Postcolonial Histories*; Chatterjee, “The Social Sciences in India.”

⁸⁰¹ Cited in Gupta, *Life And Work Of Romesh Chunder Dutt*, 148–49.

⁸⁰² see e.g. Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:300; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 123–24; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 20–22. See chapter 2 for more citations.

⁸⁰³ Quoted in Gupta, *Life And Work Of Romesh Chunder Dutt*, 384, see also 155.

⁸⁰⁴ *Ibid.*, 146; Dutt, *Three Years in Europe, 1868 to 1871: With an Account of Subsequent Visits to Europe in 1886 and 1893*.

the late Dr. Goldstucker, often used to say: “Never trust what one nation tells you I read the writings of all the three and judge for yourself.”⁸⁰⁵ Thus, even if Dutt could not read List’s German, I can infer that he would have sought to find at least a translation to judge for himself. I also infer that other Indian Economists, especially Ranade who cited List several times, would have read a translation – most likely in English. The first Indian translation of List’s *National System* came in 1932 into Bengali by Benoy Kumar Sarkar – Dutt’s mother tongue.⁸⁰⁶ In sum, List’s works would most likely have been accessible to the Indian Economists and most probably have been read by at least Dutt and Ranade.

One major component essential for fostering cooperation was representation. The government of India had to be representative of its people by employing Indians in the imperial administration. Dutt stated that “It is a truism that there can be no government for the good of a people without some sort of representation,” which meant that the imperial administration would fail to secure balanced growth for the Indian people until Indians were represented in the executive councils of the Empire.⁸⁰⁷ Naoroji was one of the major proponents of allowing Indians to take examinations for the civil service, and Dutt was ultimately one of the beneficiaries of its successful implementation, serving as a civil servant in the British administration, 1869–1882.⁸⁰⁸

Indian Economics gave a couple of reasons why the imperial administration should employ natives. The first regards the drain of Indian resources. European employees did not sufficiently spend their earnings and pensions in India, exacerbating the drain. Additionally, European salaries and pensions were much higher than those paid out to Indians. Indian employee salaries and pensions would be useful sources of capital (see chapter 3 for a discussion on how capital is necessary for progress).

Secondly, Indians had to train themselves in governing a nation if the civilising mission were to lead to Indian self-rule (see chapter 2 for a discussion on the civilising mission). Educated Indians were missing an opportunity to utilise and develop the skills they had learnt at university and to learn how to rule a nation.⁸⁰⁹ As Naoroji wrote:

⁸⁰⁵ Quoted in Gupta, *Life And Work Of Romesh Chunder Dutt*, 384.

⁸⁰⁶ Haiudas Mukherjee, *Benoy Kumar Sarkar: A Study* (Calcutta: Das Gupta and Company, 1953), 34; Kapila, *An Intellectual History for India*.

⁸⁰⁷ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 105, see also 57-58; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:321, 436–37.

⁸⁰⁸ Gopalakrishnan, *Development of Economic Ideas in India, 1880-1914*, 87.

⁸⁰⁹ Naoroji, *Poverty and Un-British Rule in India*, 57–58, 119, 204, 225.

*the full development of force of character and other qualities depends upon their future exercise and opportunities. When any limb of the body or faculty of mind is not used or exercised, it gradually decays.*⁸¹⁰

As seen in chapter 3, Naoroji used natural analogies to explain the regressive nature of prohibiting educated men from using the skills they had been taught at university. If Indians were not able to practise the skills they had been taught, they could never self-govern.

Naoroji's argument is similar to the learning-by-doing concept first theorised by Kenneth Arrow and later implemented in the endogenous growth theory by Paul Romer.⁸¹¹ Learning-by-doing helps explain how productivity is achieved through practice, perfection and minor innovations – e.g. a factory increases output by learning how to use its equipment more efficiently. Similarly, Naoroji and other Indian Economists argue that Indians were only going to learn how to grasp the day-to-day workings of a public administration if they executed such duties themselves.

Some British officials agreed that Indians should be more involved in the administration. In two speeches at the House of Commons, Fawcett spoke in favour of holding Civil Service Examinations in Calcutta, Madras and Bombay in order to give natives the chance of gaining employment in the government.⁸¹² Fawcett had considerable success in influencing the English public opinion upon Indian questions. The best example, however, is most probably Lord Mayo's resolution of 1870 and the more successful resolution put forward by Lord Ripon in 1882. Both resolutions were attempting to implement local self-government through the financial decentralisation Act of 1882.⁸¹³ Local self-government was important because it would train Indians to manage their own affairs. (Although, it is worth remembering that Ripon's goal was also to get more revenue.) The government revenue was divided into imperial, provincial and divided. The imperial revenue included railways, customs, posts and telegraphs, opium, salt, mint, military receipts and land revenue etc. The provincial revenue consisted of jails,

⁸¹⁰ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 542.

⁸¹¹ Kenneth J. Arrow, "The Economic Implications of Learning by Doing," *The Review of Economic Studies* 29, no. 3 (1962): 155–73; Paul M. Romer, "Increasing Returns and Long-Run Growth," *Journal of Political Economy* 94, no. 5 (1986): 1002–37.

⁸¹² Leslie Stephen, *Life of Henry Fawcett* (Cambridge: Cambridge University Press, 1885), 341–45.

⁸¹³ See Laxman Prasad Mathur, *Lord Ripon's Administration in India (1880-84 AD)* (New Delhi: S. Chand, 1972); Anthony Denholm, *Lord Ripon, 1827-1909: A Political Biography* (London and Canberra: Croom Helm, 1982); Hugh Tinker, *The Foundations of the Local Self-Government in India, Pakistan and Burma*, vol. 1 (London: University of London, Athlone Press, 1954); Sworupa Mallik, "Local Self-Government in India," *The Annals of the American Academy of Political and Social Science* 145, no. 2 (1929): 36–44; Rémi De Bercegol, *Small Towns and Decentralisation in India*, Exploring Urban Change in South Asia (New Delhi: Springer India, 2016).

medical slices, printing, roads, general administration etc., while the divided revenue included the excise, stamps, forests, registration etc., to be divided equally between the central and provincial governments.⁸¹⁴ Moreover, Ripon set up local urban and rural boards of natives as an instrument of political education for Indians. Dutt was naturally in favour, but his reasoning was slightly different. Contrary to the idea of an educational tool, Dutt supposed that local representatives spoke the local languages, and had a better knowledge of local customs and land systems, than British officials.⁸¹⁵ In sum, native representation was a necessary step towards achieving self-rule.

Self-rule was always the ultimate goal for all the Indian Economists, even proposed by the official imperial discourse. Imperial discourse justified imperialism because India needed Britain to reach a higher level of progress before it could self-rule – i.e. the civilising mission analysed in chapter 2. As Naoroji put it, “the Europeans are not the natural leaders of the people.”⁸¹⁶ Naoroji realised “the simple fact that foreign rule was a curse, and that our rule in India ought to approximate to native rule.”⁸¹⁷ Similarly, the British had done, asserted Dutt, what they could in India. Imperialism could no longer bring the necessary progress to India. Dutt attributed the idea that foreign rule was a curse to J.S. Mill’s. As Dutt wrote, J.S. Mill understood that “these are legitimate and natural results of a Benevolent Despotism.”⁸¹⁸ Until the end of the 19th century, the Indian Economists under study here seemed to argue for imperialist reform to eventually get to self-rule.

By the turn of the century, however, there was a discursive shift in these Indian Economists discourse from proposing imperialist reform to forcefully arguing for self-rule. For instance, Dutt, at a speech in Madras, 4 February 1902, declared that the last five years had “seen no sign of progress, - rather the reverse”⁸¹⁹ and only Indians, not the foreign rulers, could secure balanced progress in India.⁸²⁰ Similarly, Wacha wrote to Naoroji in 1904 that

⁸¹⁴ Tinker, *The Foundations of the Local Self-Government in India, Pakistan and Burma*; De Bercegol, *Small Towns and Decentralisation in India*. Lord Ripon’s Resolution on Local Government, 20 May 1882.

⁸¹⁵ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:144, 148–49.

⁸¹⁶ Naoroji, *Poverty and Un-British Rule in India*, 204.

⁸¹⁷ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 368.

⁸¹⁸ Dutt, *Indian Famines, Their Causes and Prevention*, 15.

⁸¹⁹ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 159.

⁸²⁰ *Ibid.*, 160–63.

*We shall do our best to meet your wishes in the matter of our new programme on Self-Government. I dare say we are all agreed on the point. Of course it will take years to get the reform but as you say we ought now speak out freely and vigorously.*⁸²¹

Naoroji and Dutt, apart from Ranade who passed in 1901, started to more forcefully and openly prescribe self-rule.⁸²²

Nevertheless, some nuance and explanation is necessary here, because the shift is not clear-cut. Dutt and Naoroji seem to hint at the curse of foreign rule, or the impossibility for the British to develop India, already in the late 1880s in intellectual milieus where it was seemingly more accepted to critique imperial rule. For instance, in England where Naoroji spoke on several occasions, there were more rampant anti-imperialist debates than in India itself.⁸²³ Censorship was a real threat to the Indian Economists, substantially constraining their discursive space.⁸²⁴

A poignant example is how Naoroji's discourse on his prescriptions for a progressive India seems contradictory in a speech at the Manchester Athenaeum, November 1886 entitled "England's Best Way of Retaining India."⁸²⁵ The title suggests that Britain could adopt Indian Economics' prescribed institutional elements to maintain imperial rule and during the speech Naoroji stated that he "was convinced, as the Indian people were convinced, that as soon as the state of affairs was properly understood, England would do fairly and justly."⁸²⁶ Yet, the last sentence of the speech reads, "the economic condition of India was utterly unnatural, and at the bottom of it all was the simple fact that foreign rule was a curse, and that our rule in India ought to approximate to native rule."⁸²⁷ What message was Naoroji trying to communicate? That

⁸²¹ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, 2:866.

⁸²² Naoroji, *Poverty and Un-British Rule in India*, 206–8; Naoroji, *Dadabhai Naoroji: Selected Private Papers*, xxxiv–xxxv, 457; Dutt, *Indian Famines, Their Causes and Prevention*, 15; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 160.

⁸²³ This intellectual milieu is outlined in chapter 2.

⁸²⁴ For example, there are instances when the Indian Economists worried about their letters being read and certain nationals being followed. Ranade got his scholarship suspended for stating that the Mughal empire had been better for India than the British rule ("London School of Economics Library Archives on Britain and South Asia (16-Non-ILP Print: Miscellaneous). Independent Labour Party Papers: ILP/16/1901. 'Mahadev Govind Ranade: His Life and Career' (Madras: G. A. Natesan and Company, Esplanade) (Pamphlet)."). Banerjee was found guilty of contempt and sentenced to two months in prison, for publishing an editorial in the *Bengalee* (2 April 1883) in which he compared Judge Norris with British judges from the 17th century, Jeffreys and Seroggs, notorious for infamous conduct, because Norris had been involved in a dispute regarding a family idol, a *saligram*, at the Calcutta High Court – for more details see Imma Ramos, "Contesting the Imperial Gaze: Image Worship Debates in Nineteenth-Century Bengal," *South Asian Studies* 31, no. 2 (2015): 242; Sarmila Banerjee, *Studies in Administrative History of Bengal, 1880-1898* (New Delhi: Rajesh Publications, 1978), 151–55.).

⁸²⁵ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 367–68.

⁸²⁶ *Ibid.*, 368.

⁸²⁷ *Ibid.*

Britain should and will progress India, or that foreign rule was regressive? I interpret the apparent contradiction, of which this speech is only one example, as a reflection of the contextual constraints limiting the discursive possibilities for Indian intellectuals.

In my view, Naoroji is using the rhetorical device called antanagoge – a rhetorical device that places a criticism and complement together to lessen the impact. The Indian Economists, including Naoroji, were addressing the British administration and intellectuals from a part of the world considered superior. Understanding that the apparent contradiction is the use of a rhetorical device can uncover the Indian Economists' active discursive creation. Naoroji pushed at the boundaries of the discursive space to end his speech with a bold statement describing foreign rule as “unnatural” and a “curse” and proposing policies that would “approximate” to self-rule already in 1886 – long before Naoroji declared INC's main goal as self-rule in 1906.⁸²⁸

Despite the nuances, there was a noticeable shift in both public opinion and Indian Economics by the beginning of the 20th century. Naoroji and Dutt, among other Indian Economists, saw no reaction from the imperial administration and started to openly discuss self-rule as the only solution to bring about Indian progress. To that end, INC's main goal of 1906 was announced as bringing about independence. Indian Economics, did not, however, lay out a detailed plan as to how India could achieve self-rule – this would come from the next generation of nationalists.⁸²⁹

To conclude the idea of order in Indian Economics, it has to be seen as a critique of imperialism. The Indian Economists first advocated that the British needed to construct better cooperation with the Indians, rather than dividing them.⁸³⁰ As Naoroji and Wacha reminded each other, the British divide and rule tactics were even condemned by British officials such as Hunter.⁸³¹ Likewise, Dutt wrote that “We may accept it is as an axiomatic truth that no great and civilized country can be successfully ruled by foreigners without the co-operation of the people.

⁸²⁸ Ibid.

⁸²⁹ See e.g. Chatterjee, *Nationalist Thought and the Colonial World: A Derivative Discourse*; Chatterjee, *The Nation and Its Fragments: Colonial and Postcolonial Histories*; Goswami, *Producing India: From Colonial Economy to National Space*; Argov, *Moderates and Extremists in the Indian National Movement, 1883-1920: With Special Reference to Surendranath Banerjee and Lajpat Rai*; Brown, *The Nationalist Movement: Indian Political Thought from Ranade to Bhave*.

⁸³⁰ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dadabhai Naoroji*, 145; Naoroji, *Poverty and Un-British Rule in India*, 293; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:31, 56, 178.

⁸³¹ William Wilson Hunter, *The Indian Musalmans*, 3rd ed. (London: Trubner and Company, 1876); Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:56.

But [Warren] Hastings and [Charles] Cornwallis had forgotten this great truth.”⁸³² Towards the turn of the century the Indian Economists saw no change in imperial actions and India’s economic situation had only worsened.

A serious critique of the imperial administration followed. In Naoroji’s text on the success state of Mysore cited above, it noted at the end that such an improvement in Mysore’s political and economic state could have never occurred under direct British rule:

*Such is the result of good administration in a Native State at the very beginning. What splendid prospect is in store for the future if, as heretofore, it is allowed to develop itself to the level of the British system with its own Native Services, and not bled as poor British India is by the infliction of European Services, which are bleeding India to death.*⁸³³

The imperialist drain of Indian resources would clearly not cease and hindered any progress in fostering much needed order in imperial India. Subsequently, Naoroji and Dutt, among others, started arguing more forcefully about the need for national cooperation.

In sum, Indian Economics saw that order could be harnessed by dispersing power across local and central agencies, encouraging cooperation between different societal groups and by appointing a select intellectual elite to change public discourse. Order would, in turn, bring in more public wealth that could pay for the necessary institutional architecture that would harness balanced growth such as industrial investment to be discussed next.

Industrial Policies

The prescription of balanced growth in Indian Economics included industrialisation. The elements required to bring about industrialisation generally fall under the following categories: capital investment policies, trade policy, technical education and middle-class growth.

There were disagreements within Indian Economics on the effective benefits of foreign capital. (Capital, as discussed in the last chapter, was essential for progress.) The amount of foreign and British capital flowing into India increased rapidly after 1857.⁸³⁴ At first, the foreign capital was invested in railways, canals, mines, plantations and modern industries that seemed

⁸³² Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 40. Hastings was the first Governor General of India, 1773-1785 and Cornwallis was the Commander-in-Chief of British India and Governor of the Bengal Presidency from 1786-1793.

⁸³³ Naoroji, *Poverty and Un-British Rule in India*, 623.

⁸³⁴ Estimates vary between £365 and £470 million annually by 1911 (Chandra, *The Rise and Growth of Economic Nationalism in India*, 92.), while Arthur Bloomfield finds that outstanding British investments in India rose by £110 million between 1870 and 1885, equal to the total increase between 1885 and 1913 (Arthur Irving Bloomfield, “Patterns of Fluctuation in International Investment before 1914,” Princeton Studies in International Finance (Princeton University Press, 1968), 10.).

to be promoting the desired industrialisation. Yet, foreign capital seemed to dominate India's industrial scene, which dissuaded such optimism. A child analogy was again used to explain how foreign capital in India was like giving a sweet to an exhausted child, where the sweet acts like a poison or foreign substance, making the child throw up and exhaust itself even further. Our condition is

*like that of a child to which a fond parent gives a sweet, but to which, in its exhausted condition, the very sweet acts like poison, and, as a foreign substance, by irritating the weak stomach makes it throw out more, and causes greater exhaustion. In India's present condition the very sweets of every nation appear to act on it as poison.*⁸³⁵

According to Naoroji and Joshi, the foreign investments facilitated the penetration of especially British goods into the Indian market rather than developing Indian industry – creating unwanted competition for Indian industrial sectors. Furthermore, a large majority of the profits were sent out of India (especially as of 1870, making Britain a net importer of Indian capital), preventing it from being reinvested into the Indian economy.⁸³⁶ The Indian Economists who anti-foreign capital were supported by officials such as George Birdwood,⁸³⁷ who urged India to develop its own industries by revitalising its handicrafts' industry, limiting exploitative foreign investment and control of existing industries.

In contrast, many British economists, statesmen and officials considered foreign capital to be a major lever for progress – e.g. J.S. Mill and Alfred Marshall argued for foreign capital in their economic treatises. The Viceroy, Lord Curzon, declared in 1899 that foreign capital was “a sine qua non to the national advancement of India.”⁸³⁸ Similarly, a small group of Indian Economists, including Ranade and Banerjea, remained pro-foreign capital, claiming that India lacked so much capital that they could not afford to turn any down.⁸³⁹

In my view, the disagreement highlights how Naoroji and Joshi emphasised the politics of capital. Naoroji and Joshi argued that the profits earned from foreign capital investments

⁸³⁵ Naoroji, *Poverty and Un-British Rule in India*, 54. In a section entitled “Drain Through Investment of English Capital.”

⁸³⁶ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 39–41, 102, 104, 106, 124–27, 130–31, 135; Joshi, *Writings and Speeches of G.V. Joshi*, 652, 757; Chandra, *The Rise and Growth of Economic Nationalism in India*, 92–93.

⁸³⁷ An Anglo-Indian official, publishing in newspapers, e.g. *Dawn* (Naoroji, *Dadabhai Naoroji: Selected Private Papers*, 135.), and books, e.g. George Christopher Molesworth Birdwood, *The Industrial Arts of India* (London: Chapman and Hall, 1884).

⁸³⁸ Quoted in Bipan Chandra, *India's Struggle for Independence 1857-1947* (New Delhi: Viking, 1988), 70.

⁸³⁹ e.g. Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches.*, Surendranath Banerjea, the *Amrita Bazar Patrika* (23 February 1903) cited in Chandra, *The Rise and Growth of Economic Nationalism in India*, 93–94., and the *Hindustan Review* and *Kayastha Samachar* cited in Chandra, *India's Struggle for Independence 1857-1947*, 70.

were then repatriated abroad and consequently could not be re-invested or spent in India, which were two key ingredients for progress. British capital was particularly damaging because it perpetuated imperial control, hindering eventual independence. For instance, an Indian newspaper, the *Hindu*, wrote “where foreign capital has been sunk in a country, the administration of that country becomes at once the concern of the bondholders.”⁸⁴⁰ The article continued that when

*the influence of foreign capitalists in the land is allowed to increase, then adieu to all chances of success of INC whose voice will be drowned in the tremendous uproar of “the empire in danger” that will surely be raised by the foreign capitalists.*⁸⁴¹

Foreign capital had regressive characteristics in an imperial settlement like India. Balanced growth required reinvestment back into the industrial and agricultural sectors, which, especially according to Naoroji, was not happening with British capital in India – further discussion on reinvestment or drain reduction appears below.

Recent literature on capital flows into India provide a more nuanced account.⁸⁴² For example, the jute industry and railways were almost entirely funded by British investments in the late 19th century, while the cotton industry was primarily financed by Indian capital – as seen in chapter 2.⁸⁴³ The research highlights regional differences in India: western textile (primarily cotton) industries were financed by Indian capital, while the eastern, primarily jute, production was predominantly British owned.⁸⁴⁴ The relative success of Indian owned manufacturers in the west can explain Ranade’s optimism in a speech at the Industrial Conference in his western home state Maharashtra, Pune, 1893, in which he used official statistics from the imperial government to show that India’s manufacturing sector had been showing signs of “revival” since 1875.⁸⁴⁵ Indian industry in the east was not doing as well as Ranade’s home region in the west.

As noted in chapter 2, recent work attempts to explain the regional differences. Chaudhary et al argues that incentive structures and the decision-making processes of economic

⁸⁴⁰ dated 23 September 1889 – quoted in Chandra, *India’s Struggle for Independence 1857-1947*, 71.

⁸⁴¹ Ibid.

⁸⁴² e.g. Roy, *Economic History of India, 1857-1947*; Kumar and Desai, *The Cambridge Economic History of India*; Chaudhary et al., *A New Economic History of Colonial India*; Lance Davis and Robert Huttenback, *Mammon and the Pursuit of Empire: The Political Economy of British Imperialism, 1860-1912* (Cambridge: Cambridge University Press, 1986).

⁸⁴³ Kumar and Desai, *The Cambridge Economic History of India*, 2:568; Chaudhary et al., *A New Economic History of Colonial India*, 67–79; Davis and Huttenback, *Mammon and the Pursuit of Empire: The Political Economy of British Imperialism, 1860-1912*; Roy, *Economic History of India, 1857-1947*.

⁸⁴⁴ Chaudhary et al., *A New Economic History of Colonial India*, chap. 5.

⁸⁴⁵ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 110.

agents (e.g. social network effects and informational constraints) better explain the regional differences in growth, the low investment and slow development of large-scale industry (as a share of national income). The authors aim to move away from the dominant emphasis on political factors that blame discriminatory forces such as imperial policies against Indian capital – as Naoroji and Joshi argued and late 20th century scholars continue to argue.⁸⁴⁶

Although such a regional perspective was previously lacking in the literature on imperial Indian history, I find the missing political and power dimension in Chaudhary et al difficult to overcome. In a chapter of the same volume, Gopalan Balanchandran finds that the Indian credit market developed a dual character. On one side, investments from European trading and London-based banks handled international trade outside of India. On the other side, Indian investors were restricted to domestic and regional trade through closing the Indian silver mints in 1893, undermining the power of India's indigenous banking sector and keeping India's reserves in London. Indigenous banks remained mere intermediaries for British banks located only in ports and urban areas. Indian banks were often discriminated against with stricter regulation than the European branches. Balanchandran rightfully argues that this would have caused inefficiencies.⁸⁴⁷ Moreover, scholars such as Eswar Prasad et al find that lesser reliance on foreign capital is associated with higher growth⁸⁴⁸ – an idea supported by Maddison's extensive statistical study on the dramatic decrease in India's economic growth since imperialism.⁸⁴⁹ Clearly the debate on foreign capital and its ability to harness progress is complex, which not only explains the disagreements within Indian Economics, but also ongoing debates today.⁸⁵⁰

There were also disagreements regarding domestic investment policies. Ranade claimed that domestic capital could be more efficiently utilised to boost industrial growth. He proposed a more efficient credit system that would assemble the reservoirs of idle capital in India and channel it into industrial enterprises.⁸⁵¹ From his survey of other countries' credit facilities

⁸⁴⁶ e.g. Bagchi, *Private Investment in India, 1900-1939*; Rajat Kanta Ray, *Entrepreneurship and Industry in India, 1800-1947* (New Delhi: Cambridge University Press, 1994).

⁸⁴⁷ Chaudhary et al., *A New Economic History of Colonial India*, 90–91.

⁸⁴⁸ Eswar Prasad, Raghuram Rajan, and Arvind Subramanian, "Foreign Capital and Economic Growth," *NBER Working Papers*, 2007.

⁸⁴⁹ Maddison, "The Historical Origins of Indian Poverty."

⁸⁵⁰ Eliana A. Cardoso and Rudiger Dornbusch, "Chapter 26 Foreign Private Capital Flows," in *Handbook of Development Economics*, ed. Hollis Chenery and T.N. Srinivasan, 1st ed., vol. 2 (North Holland: Elsevier, 1989), 1387–1439.

⁸⁵¹ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 43–69.

Also, a government report stated that silver hoarding was decreasing while gold hoarding continued at the turn of the century ("Bombay Provincial Banking Enquiry Committee 1929-1930, Vols 1-4, Evidence" (Bombay, 1930)).

(Hungary, Austria, France, Italy, Belgium and Switzerland), Ranade found that ease of access to loans was critical for progress as it enabled capital scarce classes to invest. Similarly, in the early 19th century, the Saint-Simonians theorised that banks should be intermediaries between individuals with and without capital in order for idle capital to be put to productive use.⁸⁵² Both Ranade and the Saint-Simonians use the term idle capital.

As seen earlier, these bankers could then be trained to use economic resources in the most efficient, progressive way. According to the Saint-Simonian doctrine, the banking sector would be controlled by a central bank and the country's wealth should be held by the banks and not by capitalists.⁸⁵³ Such a banking system would be more progressive for four reasons. Firstly, the banks' higher sense of morality, which made them realise that loaning money is necessary for national wellbeing, meant more loans would be offered. Secondly, bankers would be more aware of the credit risks, leading to higher returns, more equity because idle funds would be distributed from the capitalists to the entrepreneurs and ultimately more overall societal wealth. Thirdly, bankers could charge lower interest rates than capitalists because they had lower default rates and thus higher overall returns. Finally, there would be an overall increase in investments made, facilitating industrial growth and making instruments of production more available to workers. Overall wealth and competition would increase, creating better conditions for workers.⁸⁵⁴

Ranade theorised the same need for a central authority to control the Indian banks, which he claimed would decrease interest rates in the same way they did in the Austro-Hungarian Boden Credit Institute (1863), France's Credit Foncier (1852) and Italy's Central Credit Foncier first (1862).⁸⁵⁵ In particular, Ranade spoke of how France's and Switzerland's improved credit organisation led to an increase in mortgage advances.⁸⁵⁶ Finally, Ranade adhered to the idea that assigning certain people and institutions as intermediaries between capitalists and workers would lead to more efficiency:

An immense waste of power, time, and money is thus saved to him [the saver, capitalist or depositor] and to the debtor. The business becomes specialized, like any other

⁸⁵² de Saint-Simon, *The Doctrine of Saint-Simon: An Exposition; First Year, 1828-1829*, 103; Cowen and Shenton, *Doctrines of Development*, 26.

⁸⁵³ Wealth included all riches, total fund of production and all instruments of work (de Saint-Simon, *The Doctrine of Saint-Simon: An Exposition; First Year, 1828-1829*, 201–3.).

⁸⁵⁴ Ibid.

⁸⁵⁵ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 49–59.

⁸⁵⁶ Ibid., 55, 61.

*business, all risks are avoided, and all the benefits of a secure investment and cheap loan are secured to the monied and needy classes.*⁸⁵⁷

Naoroji, however, disagreed with Ranade, because India had insufficient levels of domestic capital.⁸⁵⁸ Naoroji rejected the idea that Indians were hoarders of silver – an argument used by the British to claim that the Indians were at fault for their own aggregate poverty. As discussed by Goswami, Indians were said to be great hoarders of precious metal – found in correspondence between Jevons, Marx and John Maynard Keynes.⁸⁵⁹ Naoroji agreed that hoarding was regressive because spending could spur industrial progress, however, he challenged the existence of idle capital described by the British and Ranade. In sum, a better credit system was clearly progressive and necessary for both Ranade and Naoroji, but Naoroji saw this as an end goal and not applicable to a capital scarce India.

The next industrial policy concerns trade. The Indian Economists debated free trade and protectionism, like many other 19th century economic thinkers and schools (e.g. Classical Political Economy, the German Historical School, and especially List). The first and probably most representative paper on free trade versus protectionism in India was published by Telang, entitled “Free trade and protection from an Indian point of view.”⁸⁶⁰ The paper argued that free trade could only exist fairly between equals, as echoed by especially Naoroji, Iyer and Ray.⁸⁶¹ Free trade was protecting the advanced nation’s industries – e.g. Britain’s.⁸⁶² Similarly, Dutt cited Telang and List to illustrate that

*while British Political Economists professed the principles of free trade from the latter end of the eighteenth century, the British Nation declined to adopt them till they had crushed the Manufacturing Power of India, and reared their own Manufacturing Power.*⁸⁶³

⁸⁵⁷ Ibid., 63.

⁸⁵⁸ Naoroji, *Poverty and Un-British Rule in India*, 87–88.

⁸⁵⁹ Goswami, *Producing India: From Colonial Economy to National Space*, 100. This overall debate fits into Naoroji’s argument that India needed a gold standard in order to liberate India from foreign control, however, the debate only takes traction in the 20th century, which is beyond my time frame (Naoroji, *Poverty and Un-British Rule in India*, 92; Dadabhai Naoroji, “Bimentallism,” *The Times*, December 23, 1886.).

⁸⁶⁰ Telang, “Free Trade and Protection from an Indian Point of View”; Chandra, “Colonial India: British versus Indian Views of Development.”

⁸⁶¹ Telang, “Free Trade and Protection from an Indian Point of View,” 68–69; Naoroji, *Poverty and Un-British Rule in India*, 62; Iyer, *Some Economic Aspects of British Rule in India*, 103, 350; Ray, *The Poverty Problem in India: Being a Dissertation on the Causes and Remedies of Indian Poverty*, 66, 70–73. See chapter 2 for more information on these individuals.

⁸⁶² Telang, “Free Trade and Protection from an Indian Point of View,” 68–69; Joshi, *Writings and Speeches of G.V. Joshi*, 684; Ray, *The Poverty Problem in India: Being a Dissertation on the Causes and Remedies of Indian Poverty*, 39; Iyer, *Some Economic Aspects of British Rule in India*, 104, 329.

⁸⁶³ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 302; List, *National System of Political Economy*, 42.

In reality, wrote Dutt,

*Had [the imperial rulers] sanctioned the free importation into England of Indian cotton and silk goods, the English cotton and silk manufacturers must of necessity soon come to a stand. India had not only the advantage of cheaper labour and raw material, but also the experience, the skill, and the practice of centuries. The effect of these advantages could not fail to tell under a system of free competition.*⁸⁶⁴

Dutt, as well as Ranade, Joshi and Telang, realised that Britain had only implemented free trade once its industries could compete on the international market and that Germany had successfully industrialised through protection.⁸⁶⁵ India, at its child or deindustrialised stage, could not compete on the international market and hence also had to implement protection to foster industrialisation.⁸⁶⁶

Indian Economics' idea is similar to List's German Tariff Union.⁸⁶⁷ Once its productive powers had increased, its lower classes could consume more – as evidenced by increased English exports to Germany between 1834 and 1844 in spite of the tariffs (exports to Germany were 50% higher than the exports to the next biggest trading partners put together: Russia, France, Portugal, Spain, Italy and the USA).⁸⁶⁸ As I explore further in chapter 5, Indian Economics also argued that tariffs would be beneficial to both India and its trading partners because the tariffs would induce Indian industrialisation and boost aggregate demand for imports.

Ranade, Dutt and Telang were particularly critical of the theory that protection was counterproductive, often quoted in the imperial discourse from Classical Political Economy.⁸⁶⁹ They rejected the idea that protection would diminish the freedom or benefits of Indian consumers and entrepreneurs. For instance, Telang showed that the protection would channel more capital into productive enterprises away from hoards of capital.⁸⁷⁰ Ranade argued for subsidies, low interest government loans for industrial production, and tariffs.⁸⁷¹ According to

⁸⁶⁴ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 123.

⁸⁶⁵ e.g. Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*; Joshi, *Writings and Speeches of G.V. Joshi*, 748–49; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 123–24; Telang, “Free Trade and Protection from an Indian Point of View.”

⁸⁶⁶ e.g. Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*; Telang, “Free Trade and Protection from an Indian Point of View.”

⁸⁶⁷ Szporluk, *Communism and Nationalism: Karl Marx versus Friedrich List*; Wendler, *Friedrich List (1789-1846): A Visionary Economist with Social Responsibility*, 16:245–46.

⁸⁶⁸ Wendler, *Friedrich List (1789-1846): A Visionary Economist with Social Responsibility*, 16:245.

⁸⁶⁹ For secondary literature, see John Marriott, *The Other Empire: Metropolis, India and Progress in the Colonial Imagination* (Manchester: Manchester University Press, 2003); Cohn, *Colonialism and Its Forms of Knowledge: The British in India*.

⁸⁷⁰ Telang, “Free Trade and Protection from an Indian Point of View,” 14–24.

⁸⁷¹ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 207.

Ranade and Dutt, American political economists such as Hamilton and Carey understood the need for protective tariffs to bring about self-sufficient economic development.⁸⁷² American Political Economy, asserted Dutt, rightfully assigned appropriate trade policies according to the political context and level of progress and whether it was conducive to progress.⁸⁷³ Furthermore, like List, some of the Indian Economists were convinced that the Indian population would be willing to pay the short-run cost of protection in exchange for the long run effects of lower prices, higher wages and employment, self-sufficiency and higher balanced growth. For instance, Telang and Ray argued that the long-term benefits would far out way the short-term costs.⁸⁷⁴ Dutt, as Revenue Minister of Baroda, actually implemented state help to make “a model state in India [...] in the propensity of agricultural people, the briskness of trade and enterprise, the starting of new mills and industries.”⁸⁷⁵ In sum, Ranade, Telang and Dutt prescribed temporary protection for infant industries because Indian industry could not compete with British industry in a state of free trade.

According to some of the Indian Economists, India’s context strengthened the case for implementing tariffs. Again like List, Naoroji, Dutt, Telang and Ranade were against Ricardian theory which stipulated that increasing trade led to mutual benefits to all trading partners.⁸⁷⁶ Free trade was making late 19th century India an exporter of raw material and an importer of manufactured goods. In other words, the international division of labour theorised by scholars such as Ricardo and Smith, was condoning India to the low-value added, regressive production of raw materials.⁸⁷⁷ Indian Economics disagreed with this configuration of the global economy,

⁸⁷² Ibid., 19–21; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:300; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 123–24.

⁸⁷³ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 127.

⁸⁷⁴ Telang, “Free Trade and Protection from an Indian Point of View,” 10–11; Ray, *The Poverty Problem in India: Being a Dissertation on the Causes and Remedies of Indian Poverty*, 136–37; Iyer, *Some Economic Aspects of British Rule in India*, 244–45.

⁸⁷⁵ Gupta, *Life And Work Of Romesh Chunder Dutt*, 402., see also Joshi, *Writings and Speeches of G.V. Joshi*, 743.

⁸⁷⁶ List, *National System of Political Economy*, 35–36; Naoroji, *Poverty and Un-British Rule in India*, 182, 331; Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 126; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:423; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 108.

⁸⁷⁷ Telang, “Free Trade and Protection from an Indian Point of View,” 34–35; Mahadev Govind Ranade, “Land Law Reform and Agricultural Banks,” *Quarterly Journal of the Poona Sarvajanic Sabha* 4 (1881): 54–55; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 24–25; Iyer, *Some Economic Aspects of British Rule in India*, 257–59, 274–75, 329–30.

because India's history, geography and resources were conducive to an industrial economy.⁸⁷⁸ Indian Economics' rewriting of India's historical position in global development, which simultaneously condoned the current regressive imperial system and legitimised India's ability to progress now (rather than later), will be discussed further in chapter 5.

Similar theories were followed and implemented in Japan. Firstly, the most prominent follower and populariser of Smith's ideas, Yukichi Fukuzawa, argued that free trade was used by foreigners to render Japan poor and dependent as a producer of only primary products. Japanese merchants needed to fight the war of trade against foreign countries and needed help from the Japanese government.⁸⁷⁹ Secondly, as Eric Helleiner has documented, after the 1868 Meiji Restoration the government attempted to industrialise Japan through policies such as subsidies, government contracts, state-owned companies, acquisition of foreign skills and technology, and developing infrastructure. The policies were successful in rapidly accelerating Japan's industrialisation. It arguably enabled Japan to defeat China in 1895 and Russia in 1905.⁸⁸⁰ Like the Indian Economists, the Japanese leaders were seen to follow the advice of List.

Not only had Britain practised protection in the past, their intellectuals advocated for protection in certain situations. As Telang and Ranade pointed out, even the dominant discourse from the likes of J.S. Mill recommended assistance to private enterprise under certain circumstances in colonies with unequal trade relations with its foreign rulers.⁸⁸¹ Indian Economics were aware that their discourse would be more willingly accepted if they cited dominant figures.⁸⁸² Dutt agreed with List's idea that Britain's past protective policies went against theories which the British claimed to follow, namely those of Smith and Jean B. Say.⁸⁸³ Marginal discourses such as Indian Economics development discourse have to acquire and utilise dominant discourses that are generally accepted, normalised and rarely questioned. The dominant discourse is further disseminated and legitimised through their presence in the marginal discourse. As I argue throughout this thesis, the very nature of dominant discourse makes it stand out, accepted and disseminated even in the texts associated with the marginal

⁸⁷⁸ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 25; Telang, "Free Trade and Protection from an Indian Point of View," 12–13; Iyer, *Some Economic Aspects of British Rule in India*, 274–75.

⁸⁷⁹ Helleiner, "Globalising the Classical Foundations of IPE Thought," 983; Chuhei Sugiyama, *Enlightenment and beyond: Political Economy Comes to Japan*, ed. Hiroshi Mizuta (Tokyo: University of Tokyo Press, 1988), 49.

⁸⁸⁰ Helleiner, "Globalising the Classical Foundations of IPE Thought," 984.

⁸⁸¹ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 27, 98; Telang, "Free Trade and Protection from an Indian Point of View."

⁸⁸² see e.g. Naoroji, *Poverty and Un-British Rule in India*, 55.

⁸⁸³ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 19–21.

discourse. Unfortunately, discursive ingenuity, re-articulations and re-definitions present in the marginal discourse are subsequently often ignored. Chapter 5 identifies the discursive innovation within the idea of development in Indian Economics.

Free trade was nevertheless considered to be the ultimate goal of any economy. Like List, Indian Economics' idea of development saw protective measures such as tariff barriers as *temporary* until Indian industry could compete on the international market⁸⁸⁴ – i.e. when Indian industry had progressed enough to have equal levels of productivity and thus low enough prices to be able to compete with British manufacturers. List and Ranade used the same natural analogy to explain the use of a tariff: a “crutch.”⁸⁸⁵ Ranade wrote that “State protection and control were but crutches to teach the Nation to walk, and that they should be thrown away when the necessary advance had been made.”⁸⁸⁶

In contrast, Naoroji argued that India would prosper from free trade even during his time, as long as the drain was reduced.

*Let India have its present drain brought within reasonable limits, and India will be quite prepared for any free trade. With a pressure of taxation nearly double in proportion to that of England, from an income of one-fifteenth, and an exhaustive drain besides, we are asked to compete with England in free trade?*⁸⁸⁷

I find that Naoroji did not follow List's theories. First, according to the citation above India would not need protection if it were independent. Naoroji was particularly adamant that as long as the drain was reduced India would prosper under free trade. Second, Naoroji did not cite List as Ranade and Dutt do.

There were several other proponents of free trade in India and other non-European regions. One example includes Bengal and Calcutta merchants who were frustrated at the British East India Company's monopoly in the early 19th century. A dominant merchant Dwarkanath Tagore advocated “free trade and the abolition of Company monopoly” in the 1830s.⁸⁸⁸ Some Bengali liberal reformers argued for the emancipation of the rational, self-interested individual following Classical Political Economy's ideal of free exchange, which was denied in the more traditional principles of custom and discrimination found in social conservatism.⁸⁸⁹ The Ottoman Empire also followed free trade after the implementation of the

⁸⁸⁴ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 177; Szporluk, *Communism and Nationalism: Karl Marx versus Friedrich List*, 102.

⁸⁸⁵ List, *National System of Political Economy*, 297.

⁸⁸⁶ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 15, see also 177.

⁸⁸⁷ Naoroji, *Poverty and Un-British Rule in India*, 62.

⁸⁸⁸ Quoted in Sartori, *Bengal in Global Concept History: Culturalism in the Age of Capital*, 90.

⁸⁸⁹ Ibid., 22; Helleiner, “Globalising the Classical Foundations of IPE Thought,” 981.

Anglo-Ottoman Commercial Treaty of 1838, increasing their raw material cotton production thanks to more trade with Britain. The support for liberalism in Egypt stayed until well into the 1870s.⁸⁹⁰ Similarly, in early 19th century Latin America, there was a liberal critique of mercantilist imperial trade restrictions under Spanish and Portuguese imperial rule. For instance, Smith's work was first translated into Portuguese in Brazil in 1811-1812 and not in Portugal itself.⁸⁹¹ Another example includes a Mexican official who financed the first two editions of the most widely circulated Spanish liberal political economy textbook in the 19th century, which denounced mercantilism and argued for Ricardian economics and free trade – a volume also disseminated across Central America by José Cecilio del Valle, a leader of the Central American independence.⁸⁹² The disagreements within Indian Economics regarding free trade and the examples above show that free trade was simultaneously contested and followed across the non-European world in the 19th century.

The next industrial policy was the need for technical education – discussed extensively at INC.⁸⁹³ Ranade made it particularly clear that technical education was a part of industrial development in the inaugural address at the first Industrial Conference in Pune, 1890.⁸⁹⁴ Ranade observed, through texts from German and American political economists (e.g. List, Hamilton and Carey), that technical education had spurred large-scale industry in Germany, America and Japan. Generally, this is why all the Indian Economists were so pro-Western education in India because it provided the most advanced technical training. For instance, Ranade wrote:

The superior skill of the Foreigner must be availed of freely by importing it from other Countries, till we train up our own people for the work, first, in Technical Institutes

⁸⁹⁰ Helleiner, "Globalising the Classical Foundations of IPE Thought," 980; Afaf Lutfi Al-Sayyid-Marsot, *Egypt in the Reign of Muhammad Ali* (Cambridge: Cambridge University Press, 1984), 250–52; Eyup Özveren, "Turkey and the Turkic Linguistic Zone," in *Routledge Handbook of the History of Global Economic Thought*, ed. Vincent Barnett (London: Routledge, 2015), 348.

⁸⁹¹ José Luis Cardoso, "The Diffusion of Ricardo and Classical Political Economy in Portugal," in *The Reception of David Ricardo in Continental Europe and Japan*, ed. Gilbert Faccarello and Masahi Izumo (London and New York: Routledge, 2014), 138.

⁸⁹² Salvador Almenar, "The Reception and Dissemination of Ricardo's Ideas in Spain," in *The Reception of David Ricardo in Continental Europe and Japan*, ed. G. Faccarello and M. Izumo (London: Routledge, 2014), 152–77.

⁸⁹³ Discussed in the following years: 1887, 1888, 1891, 1892, and every year from 1894 to 1904. The majority of Indian newspapers and political leaders made this demand (See Chandra, "Colonial India: British versus Indian Views of Development," 125.).

⁸⁹⁴ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 13–208. See also Joshi, *Writings and Speeches of G.V. Joshi*, 688–89, 801–2; Iyer, "Railways in India," 190; Iyer, *Some Economic Aspects of British Rule in India*, 266.

*here and in Foreign Countries, and further, in the far more practical disciplines of Factories and Mills at work.*⁸⁹⁵

Indians needed technical training in order to industrialise. However, Indian Economics realised that technical education was also acquired through experience, which was not offered to the Indians because increased employment of Indian engineers and managers was not seen until the 20th century.⁸⁹⁶

Finally, developing a middle class was considered mandatory for creating the necessary demand to sustain industrialisation and consequently progress. Generally, the middle class was assumed to grow in urban areas, where it would create the necessary demand for growing industries. Urbanisation and industrialisation could either generate a large upper or middle class. Ranade claimed that if industries primarily catered to the upper classes (or the courts), their dependents tended to disappear (i.e. employment would decrease), whereas policies that incentivised the growth of industries catering to the middle classes would generate more jobs thanks to the increased demand for goods. The industries that catered to the middle classes and therefore tended to expand included: metals, leather, book dealers, paper and stationary, hardware, lamps, matches, timber, stone-workers, watchmakers, railways, cart makers, butchers, liquor-sellers, jaggery and sugar makers, contractors, builders, lawyers, doctors, engineers, and factory workers. The industries that catered to the courts which as a result tended to disappear included: oil-pressing, weavers and spinners of cotton and wool, potters, grocers, pedlars, wood-carvers, embroiderers and dealers in gold and silver, and jewels, priests, musicians, military classes and carriers of all kinds.⁸⁹⁷ Ranade was rather vague as to how India could increase the production of those more progressive industries, only stipulating that

⁸⁹⁵ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 207., see also Ibid., 197, 201; Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 246.). For secondary literature explaining the general optimism towards Western education as a way to industrialise, and generally progress, India, see Chandra, *The Rise and Growth of Economic Nationalism in India*; Chandra, “Colonial India: British versus Indian Views of Development”; Seth, *Subject Lessons: The Western Education of Imperial India*; Chakrabarty, *Provincializing Europe*.

⁸⁹⁶ Naoroji, *Poverty and Un-British Rule in India*, 54, 194, 228; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 133, 240, 382, 397–98, Appendix, 7; Joshi, *Writings and Speeches of G.V. Joshi*, 699–700, 756, 779; Ray, *The Poverty Problem in India: Being a Dissertation on the Causes and Remedies of Indian Poverty*, 322, 324., Gokhale in Welby Commission, Vol. III, Qs. 18140, 18156, 18171, 18176, Iyer in Indian National Congress 1898, 107, 1903, 132–33, Wacha in Indian National Congress 1899, 59, *Hindu*, 13 June 1904. For secondary literature on the employment of Indian engineers and managers, see e.g. Angus Maddison, *Class Structure and Economic Growth: India and Pakistan since the Moghuls* (London: Allen and Unwin, 1971), chap. 3; Aparajith Ramnath, *The Birth of an Indian Profession: Engineers, Industry, and the State, 1900–47* (Oxford: Oxford University Press, 2017).

⁸⁹⁷ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 125–26.).

*What we have to do in each case is to learn by organised co-operation to compete with the Foreigner, and take in as much as Raw Produce from Abroad as we need, and work it up here, and to send in place of our Exports of Raw Produce, the same quantities in less bulky, but more valuable, forms, after they have undergone the operation of Art manipulation, and afforded occupation to our Industrial Classes.*⁸⁹⁸

In other words, Ranade advocated for organised cooperation to divert investments and energy towards the progressive industries – those catering to middle class consumption.

Furthermore, fostering a middle as opposed to an upper class would mean lower levels of inequality, which was better for progress, because, as argued by both Indian Economics and British officials (e.g. Lord Lawrence), it was inefficient to only preserve the wealth among a select few due to lower potential for capital investment.⁸⁹⁹ If capital was more evenly distributed, i.e. an economy with a large middle class, there was also greater potential aggregate demand, which would sustain industrial growth – I return to the need for aggregate demand in chapter 5. The solution to sustained industrial economic growth was therefore industrialisation that catered to the needs of the middle class.

In sum, Indian Economics identified several policies to boost industrialisation. There was a consensus within Indian Economics that technical education and encouraging industrial sectors were vital. While most of the Indian Economists such as Ranade, Telang and Joshi advocated for temporary protection in the form of subsidies, low interest loans and tariffs, Naoroji only saw the need for protection as long as the drain continued. Once independent, India could compete on the global market. Policies relating to capital investment were also disputed. Ranade and others were in favour of foreign capital, who generally dominated the discussions. Ranade also saw the need to implement a better credit system, whereas Naoroji dismissed this as unnecessary in a capital scarce country like India. To conclude, they identified a recipe for industrialisation not dissimilar to existing economic thinking. What is distinct in Indian Economics' development discourse, however, is their emphasis on the Indian context: their focus was always whether any policy would be conducive to progress in India. Much like List and other nationalist schools of political economy, there were as many paths to industrialisation as there were nations.

⁸⁹⁸ Ibid., 126–27. Following this passage, Ranade made a list of what higher value-added products that could be produced by India (see Appendix I).

⁸⁹⁹ e.g. Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*; Dutt, *Indian Famines, Their Causes and Prevention*.

Agricultural Policies

Indian Economics' institutional requirements for balanced growth included rural development. Indian Economics, in particular Dutt, proposed agricultural policies to boost rural progress, including the reinstatement of the village community structure, the extension of the British permanent settlement and most importantly the lowering of land taxes.

Dutt claimed that the village community structure should be brought back as it was more conducive to progress than the centralised structure of the imperial administration (except the permanent settlement to be discussed below). The breakdown of village communities had been accelerated by the British centralised state.⁹⁰⁰ As cited at the beginning of the chapter: "A wise Government tries to foster and improve, not to sweep aside, the ancient institutions of a country, when they are consistent with modern progress."⁹⁰¹ The "ancient institutions" refer to self-contained village communities. The imperial land reform, argued Dutt, to centralise the judicial and executive powers was regressive, because it was destroying the progressive ancient self-contained villages.⁹⁰² As seen above, Ranade similarly argued that over-centralisation of rural communities is not conducive to progress.⁹⁰³

As noted in chapter 2, the discourse on village communities in India can be situated within a wider and earlier discourse on (a lack of) progressive characteristics existent in pre-formal British imperialism with Metcalfe, Munro and Elphinstone in the late 18th century. The discourse can be split between two rival schools: the first wanted to invest in the cultivating classes with the peasantry either as individuals or as village communities, and the second wanted to promote landlord rights or some native aristocracy.⁹⁰⁴ For example, the *Fifth Report* of 1812, a British investigation into village communities written primarily by supporters, Mark Wilks and Munro, of the *ryotwari* (peasant) system proved especially authoritative in determining who should collect the rent and in determining the rent.⁹⁰⁵ Munro was able to implement the *ryotwari* experiment in 1820 with the support of the utilitarian reformers,

⁹⁰⁰ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:352; Dutt, *Indian Famines, Their Causes and Prevention*, 43; Adas, "Twentieth Century Approaches to the Indian Mutiny of 1857-58," 9; Mantena, *Alibis of Empire: Henry Maine and the Ends of Liberal Imperialism*, 121, 138-45.

⁹⁰¹ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:151.

⁹⁰² Ibid., 1:xx, 120, 387-388; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 72; Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 129.

⁹⁰³ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 231-61.

⁹⁰⁴ Gupta, *Life And Work Of Romesh Chunder Dutt*, 331-33; Mantena, *Alibis of Empire: Henry Maine and the Ends of Liberal Imperialism*, 120-42.

⁹⁰⁵ Mantena, *Alibis of Empire: Henry Maine and the Ends of Liberal Imperialism*, 141.

successfully challenging Lord Cornwallis and the Permanent Settlement of Bengal (1793), which had given property rights to the *zamindari* (landlords) middlemen to create large estates along the British model. Munro's *ryotwari* model gave cultivators the property rights – and stayed in effect until the Mutiny.⁹⁰⁶ The Mutiny then opened up the debate again, especially following the publication of Maine's *Village Communities in the East and West*,⁹⁰⁷ which concluded that private property emerged out of communal property. The discursive change did not lie in who should own the land (cultivators or landlords), in fact, Maine argued that both schools of thought listed above were correct. Rather, the change in perspective lay in Maine's assertion that India had not previously had individual private property rights, which the British policy had assumed.⁹⁰⁸ Maine's well-known conceptualisation of village communities with communal modes of land use suggested that private property rights (a progressive force – as seen in last chapter) were not appropriate for India. Simply put, Maine's thesis declared India not ready for private property rights.

Dutt's perspective, on the other hand, was different. He identified reasons why village communities were more progressive than the British land system. Firstly, contrary to Maine's assertion that there were no private property rights in pre-formal imperial India, Dutt concluded that they existed but were structured *differently* in the village communities than in the British land system. In India, the land belonged to the nation, not to a certain privileged landlord class, which meant that the tenants either paid their share of produce to the community or rent to the tax collectors who then passed on a share to the government.⁹⁰⁹ "I cannot but think that this ancient land system of India is better than your modern English system, for the soil in India belongs to the nation, and not to a few individuals."⁹¹⁰ The difference in structure between the British and Indian land system seems minor, but, as I see it, Dutt favoured the Indian structure of private property rights because it prevented a strong landlord class from accruing too much wealth. The Indian system was more equal. As discussed above, Indian Economics favoured an equal distribution of wealth to increase capital accumulation potential and encouraging investment of idle capital to boost aggregate demand.

Another aspect to the private property structure was that in the case of tax collectors being landlords, *zamindars*, they both had the duty to collect taxes and to maintain peace and order. Landlords, according to Dutt, had the incentive to keep peace because collecting taxes

⁹⁰⁶ Ibid., 140.

⁹⁰⁷ Maine, *Village-Communities in the East and West: Six Lectures Delivered at Oxford*.

⁹⁰⁸ Ibid., 15:131.

⁹⁰⁹ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 71, 91.

⁹¹⁰ (Ibid., 91.).

was easier during peaceful periods, whereas kings sometimes had the incentive to wage war to accrue more territory and a divided nation was easier to rule – the British rule being an example.⁹¹¹

Similarly, the self-contained structure meant that villages were protected from excessive interference from (at times destructive) foreign rulers and kept taxes at decent rates compared. The village community structure, asserted Dutt, was a policy fit for any civilised nation which will let its citizens profit from its own industries “instead of paralysing their industries by an uncertain and increasing State demand.”⁹¹² Under British rule the structure had been destroyed, leading to extortionate tax rates (except under the Permanent Settlement to be discussed below). Under the imperial land system, the tax collectors were given insufficient salaries, which often meant that they would ask for higher taxes from the tenants in order to earn enough. The tax collectors were also able to charge higher rates because the excessively centralised imperial structure made enforcing a certain tax rate difficult.⁹¹³ As shown by Wilson, Mughal officers were frequently moved around India in order to affirm their presence (and to avoid getting too attached to local society), whereas the British generally ruled with as little contact as possible with its subjects.⁹¹⁴

In my view, Dutt’s arguments above for preserving the village community structure is an example of Indian Economics adapting dominant ideas to the Indian context. Indian Economics wanted progress that was modern, yet Indian, which could be done with “ancient institutions” that were “consistent with modern progress.”⁹¹⁵ The extensive debates between the competing schools of thought and Indian Economics (primarily Dutt), resulted in the Marquess of Ripon, the Viceroy of India, 1880-1884, implementing a compromise. The Marquess of Ripon maintained the right for the government to increase land taxes only if prices increased. Yet, once he left his post in 1884, the arrangement was vetoed in Whitehall, “and a nation of agriculturalists was once more subjected to that *uncertainty* in the State demand which is fatal for successful agriculture.”⁹¹⁶ Dutt complained that the taxes started to fluctuate again.

⁹¹¹ Dutt, *Indian Famines, Their Causes and Prevention*, 56.

⁹¹² Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:94.

⁹¹³ *Ibid.*, 1:124.

⁹¹⁴ Wilson, *India Conquered: Britain’s Raj and the Chaos of Empire*, 17.

⁹¹⁵ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:151.

⁹¹⁶ Gupta, *Life And Work Of Romesh Chunder Dutt*, 332, emphasis in original.

Village communities were primarily conducive to progress due to their lower taxes. Lowering taxes was the most important agricultural policy in Indian Economics. Dutt spent much of his time arguing that lower taxes would solve most of India's problems – e.g. famines, poverty, and capital and investment scarcity.⁹¹⁷ Dutt claimed that land taxes in England were between 5% and 20% from 1698 to 1798, compared to 90% in Bengal and 80% in Northern India between 1793 and 1822.⁹¹⁸ He also claimed that British collected an annual tax revenue of £2,680,000 thirty years later, while the last Mughal ruler had only collected £817,533 in his last year of reign.⁹¹⁹ Naoroji wrote that

*While a ton may not be any burden to an elephant, a few pounds will crush a child; that the English nation may, from its average income of £30 a head, be able to pay £2 10s. per head, while, to the Indian nation, 6s. out of 40s. may be quite unbearable and crushing.*⁹²⁰

British figures also agreed. For instance, Hunter, a member of the Indian Civil Service, declared that Indians had a higher tax incidence than the British and should subsequently be reduced.⁹²¹

Indian Economics blamed the heavy tax for transferring all the profits from land to the government, leaving the cultivators with little incentive or capacity to invest in better techniques as well as an inability to save for drought years.⁹²² Dutt observed that in countries where cultivators could keep a share of their profits, there were higher rates of capital accumulation.⁹²³ Furthermore, uncertain tax rates (due to variable tax rates) discouraged farmers to improve their techniques and prevented capital accumulation.⁹²⁴ As noted by Dutt,⁹²⁵ even Smith's

⁹¹⁷ Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 134; Dutt, *Indian Famines, Their Causes and Prevention*, 1–18; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:436–37.

⁹¹⁸ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:ix.

⁹¹⁹ Ibid.

⁹²⁰ Naoroji, *Poverty and Un-British Rule in India*, 60, see also 248.

⁹²¹ James Ramsay MacDonald, *Awakening Of India* (London: Hodder & Stoughton, 1910), 159; *British Rule in India: Condemned by the British Themselves*, 49, 50, 67. Also, John Briggs, a British East India Company officer (Ibid., 62.).

⁹²² Dutt, *Indian Famines, Their Causes and Prevention*, 4; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:374.

⁹²³ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:xi, 368.

⁹²⁴ Dutt, *Indian Famines, Their Causes and Prevention*, 68.

⁹²⁵ Other contemporaries agreed such as J. N. Gupta (Gupta, *Life And Work Of Romesh Chunder Dutt*, 22.).

Wealth of Nations and Lord Minto⁹²⁶ condemned variable land tax.⁹²⁷ Tax needed to be permanently fixed, like it had in Bengal under the Permanent Settlement, because if cultivators were certain to keep some of their profits they were more likely to invest in improving their cultivating techniques at the benefit of the entire society – leading to “progressive improvement.”⁹²⁸ (See chapter 2 for more discussion on imperial land reform.) Lower and fixed taxes would therefore decrease overall poverty, death toll from famines, and harness progress through increased agricultural productivity and capital accumulation.

These conclusions were disputed at the time. For instance, A.O. Hume wrote in a pamphlet on agricultural reform that land taxes had remained stable for the last 70 years under the Permanent Settlement in Bengal, despite the period seeing increased productivity, domestic trade etc., which had resulted in a loss of four or five million to Bengali state revenue.⁹²⁹ As seen in chapter 2, agricultural production had substantially increased in the last three decades of the 19th century. According to Hume, if the Permanent Settlement in Bengal had fixed the land tax for 20-30 years (instead of indefinitely), which was customary in other areas of India, Bengal would have been in a better position, for example, to afford famine relief.⁹³⁰

Indian Economics was not against the idea of taxes, it was rather that the imperial setting which meant that paying taxes in India was different from paying taxes in Britain. Indian taxes were sent to Britain, and subsequently not spent on required education and infrastructure that would spur industrialisation and progress.⁹³¹ Comparison between the Mughal and British land taxes were therefore irrelevant because a) Mughals did not charge extortionate taxes as

⁹²⁶ Gilbert J. Elliot-Murray-Kynynmound (1845-1914) was a British aristocrat and politician, in particular the Viceroy and Governor-General of India (1905-1910).

⁹²⁷ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:183.

⁹²⁸ Dutt, *Indian Famines, Their Causes and Prevention*, 149., see also Ibid., 5; Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 51; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:194; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 21, 41; Dutt, *Papers Regarding the Land Revenue System of British India*.

⁹²⁹ Allan Octavian Hume, *Agricultural Reform in India* (London: W. H. Allen and Company, 1879), 3–5.

⁹³⁰ Ibid., 5.

⁹³¹ Dutt, *Indian Famines, Their Causes and Prevention*, 3; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:68; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dadabhai Naoroji*; Naoroji, *Poverty and Un-British Rule in India*; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*; Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*; Naoroji, *Dadabhai Naoroji: Selected Private Papers*.

Indian residents and b) the tax revenue was spent in India.⁹³² Again, Indian Economics judged a policy according to its relevance to India at a particular time.

There were internal conflicts within Indian Economics on the need to expose extortionate land taxes. Naoroji disagreed with Dutt and Wacha that lowering taxes was the major solution to India's economic problems. In two letter exchanges (one between Wacha and Naoroji, and another between Dutt and Naoroji), Naoroji argued, contrary to Dutt and Wacha, that emphasising high taxes will effectively draw attention away from "the *real evil* at bottom" and "the bleeding" – i.e. the resource drain.⁹³³ In the letter exchange between Wacha and Naoroji in August 1900, Wacha drew Naoroji's attention to several articles on the drain published in the *Amrita Bazar Patrika* in 1900 and Dutt's work on land revenue over-assessment⁹³⁴ and excessive land taxes, which Wacha hoped would raise awareness amongst its numerous readers on the excessive and destructive nature of India's resource drain. Naoroji wrote back that they should refrain from highlighting such a minor issue as land taxes.⁹³⁵

In the second letter exchange in July 1903 between Dutt and Naoroji, Naoroji urged Dutt to realise that self-rule was the more effective and vital solution for India's economic problems.⁹³⁶ While Dutt insisted that taxes were a large part of the resource drain, Naoroji considered the war repayments, and loss of profits from railways and exports much more damaging, and thus should be the only issues discussed with the imperial administration. Dutt reminded Naoroji that in the Parliamentary Committee on Indian Finance (or Fawcett Committee) in 1873, Naoroji had argued for lower taxes.⁹³⁷ Yet Naoroji wrote to Dutt that he had since changed his mind.⁹³⁸ Naoroji declared that "The drain is the *Cause* and *only* cause – all others are consequences, direct and indirect."⁹³⁹ Lowering taxes would only tackle the symptoms of India's economic problems. Self-rule was the only appropriate remedy – as noted above.⁹⁴⁰

⁹³² Dutt, *Indian Famines, Their Causes and Prevention*, 100; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:xii.

⁹³³ Naoroji, *Dadabhai Naoroji: Selected Private Papers*, 164–165, emphasis in original, see also 160.

⁹³⁴ The land revenue assessment was the measurement of agricultural output, which determined the land tax to be paid by cultivators.

⁹³⁵ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:649, 756–57, 766–67.

⁹³⁶ Naoroji, *Dadabhai Naoroji: Selected Private Papers*, 157, 164.

⁹³⁷ *Ibid.*, 165.

⁹³⁸ *Ibid.*, 167.

⁹³⁹ *Ibid.*, 168, emphasis in original.

⁹⁴⁰ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:836.

Like Hume, recent scholars have calculated the imperial Indian tax and found lower figures than Dutt. Land taxes amounted to about 10% of agricultural output in the 1860s, and about 2% in the 1940s.⁹⁴¹ India had in fact much lower land taxes than many other countries, including Britain, and decreased real tax rates during the 19th century.⁹⁴² Thus, the legitimacy of the arguments in Indian Economics, especially Dutt's, for lowering taxes to harness progress is questionable. On the contrary, like A.O. Hume again, Maddison argues that higher land revenue would have actually been beneficial to India, enabling the government to spend more on development, as was done in Japan.⁹⁴³ Perhaps Naoroji was correct in judging it not to be the major cause of India's regressive state.

More convincing explanations of the lack of increasing agricultural productivity include the restrictions on land transfers, which made it difficult to acquire more land to increase economies of scale, the limited aggregate capital farming, the lack of irrigation (to be discussed below) and the low quality of land.⁹⁴⁴ Although given less emphasis, the low quality of land was discussed by many of the Indian Economists as they saw overcrowding in the agricultural sector, forcing uncultivable land areas to be cultivated (discussed in chapter 3).⁹⁴⁵

How do the divergences within the discourse on the drain contribute to answering my research question (what shaped the idea of development in Indian Economics, 1870-1905)? As I see it, Dutt stressed taxes because rural development was a major part of his idea of development. Dutt's research was one of the first to highlight rural issues, such as land taxes and agricultural productivity, which inspired many later Indian economists. Dutt drew attention to the growing divide between rural and urban areas, and between intellectual and manual labour. His "championing of the cause of the voiceless agriculturist," as asserted by Jnanendra Nath Gupta, paved the way for agricultural economists like Radhakamal Mukerjee in the early 20th century.⁹⁴⁶ Dutt's and Mukherjee's theories still seem to influence prominent researchers like Sen.

⁹⁴¹ Roy, *Economic History of India, 1857-1947*; Maddison, *Class Structure and Economic Growth: India and Pakistan since the Moghuls*; Chaudhary et al., *A New Economic History of Colonial India*, 102.

⁹⁴² Chaudhary et al., *A New Economic History of Colonial India*, 108; Washbrook, "The Indian Economy and the British Empire," 55.

⁹⁴³ Maddison, *Class Structure and Economic Growth: India and Pakistan since the Moghuls*, 49.

⁹⁴⁴ Chaudhary et al., *A New Economic History of Colonial India*, 108–10.

⁹⁴⁵ Joshi, *Writings and Speeches of G.V. Joshi*; Gokhale, *Speeches and Writings of Gopal Krishna Gokhale*, 19; Iyer, *Some Economic Aspects of British Rule in India*, 218; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 66.

⁹⁴⁶ Gupta, *Life And Work Of Romesh Chunder Dutt*, 325.

Public Spending on Infrastructure

Indian Economics maintained that communications and irrigation was necessary for balanced growth.⁹⁴⁷ The investment needed to be public because existing British private investments in railways were not harnessing progress in the desired way. The private investments meant that profits were being sent back to Britain and not reinvested into developing further railway infrastructure in India.⁹⁴⁸ It is clear from 19th century railway maps that railways were built from inland ports.⁹⁴⁹ More precisely, until 1870 the railways were primarily catering the ports, Calcutta, Bombay, Madras, Beypore and Negapatam. By 1909, there were several more railways connecting more parts of inland India.⁹⁵⁰ Until late into the 19th century the railways were thus catering almost exclusively to the distribution of raw materials for export and foreign goods (primarily British manufacturers) for import, rather than to the distribution of goods within India. Simultaneously, the Manchester lobbyists imposed restrictions and tariffs on Indian manufacturers (e.g. forcing Indian textile workers to work in the British owned factories) and the imperial administration forced grain to be exported even during famines.⁹⁵¹ Subsequently, India was both drained of its much-needed raw materials (both food items and raw materials needed for industrial production) and exposed to international competition causing the deindustrialisation of its textile industry.⁹⁵² Railways, according to Indian Economics, were not harnessing progressive forces in the subcontinent.

Better irrigation infrastructure, on the other hand, would harness progressive forces in India. Indian Economics advocated for more public investment in irrigation, returning to the

⁹⁴⁷ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 94–95; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 76; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 123.

⁹⁴⁸ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 76.

⁹⁴⁹ Aruna Awasthi, *History and Development of Railways in India* (New Delhi: Deep and Deep Publications, 1994); Ratan Raj Bhandari, *Indian Railways: Glorious 150 Years*, 2nd ed. (New Delhi: Publications Division, Ministry of Information & Broadcasting, Govt. of India, 2006); Sitansu Sekhar Ghosh, *Railways in India - A Legend: Origin & Development (1830-1980)* (Calcutta: Jogemaya Prokashani, 2002); Dan Bogart and Latika Chaudhary, “Railways in Colonial India: An Economic Achievement?,” in *A New Economic History of Colonial India*, ed. Latika Chaudhary et al. (London: Routledge, 2015).

⁹⁵⁰ Bogart and Chaudhary, “Railways in Colonial India: An Economic Achievement?,” 37–38.

⁹⁵¹ Washbrook, “The Indian Economy and the British Empire,” 57; Bagchi, *Private Investment in India, 1900-1939*.

⁹⁵² Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 97; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 49; Erik Stokes, *The English Utilitarians and India* (Oxford: Oxford University Press, 1959); Sarkar, *Modern India 1886-1947*; Bagchi, “Deindustrialization in Gangetic Bihar 1809-1901”; Bagchi, “De-industrialization in India in the Nineteenth Century: Some Theoretical Implications”; John Hurd, “A Huge Railway System But No Sustained Economic Development: The Company Perspective, 1884-1939: Some Hypotheses,” in *27 Down: New Departures in Indian Railway Studies*, ed. Ian Kerr, vol. 27 (New Delhi: Orient Longman, 2007).

Mughal policy of building canals and reservoirs,⁹⁵³ because India was particularly vulnerable to droughts.⁹⁵⁴ For Dutt, the explanation was simple: irrigation actually increased agricultural output, in ways that railway infrastructure could not. Railways only distributed goods.⁹⁵⁵ Similarly, as discussed in chapter 3, Naoroji intentionally left out railway figures in his national income account, because railways did not increase total national output.⁹⁵⁶ Still, Naoroji argued for canals, because they would increase communication, which was lacking in India.⁹⁵⁷ Indian Economics proposed that Indians should be “trained and encouraged and even subsidised if necessary” to build the necessary infrastructure.⁹⁵⁸ In turn, communication would stimulate production and stimulate the distribution of goods and wealth across India.⁹⁵⁹ The lack of communication channels across India meant, according to Naoroji, that goods produced near the seaports were exported, not due to higher prices offered by foreigners but because otherwise the produce would perish.⁹⁶⁰ My reading here is that Naoroji encouraged canals rather than railways, because canals would increase ease of communication and transport in inland India, rather than the railways that catered almost exclusively to seaports until at least 1870.

A central element of Indian Economics’ policy for infrastructure was that these investments needed to be public. The proposed increase in irrigation should not be funded by public money, because profits from public investment would be reinvested back into India. The private British capitalists that financed the railways were assured a 5% return on investment – money, which the Indian Economists claimed, would leave India.⁹⁶¹ If, however, railways were publicly funded they would also be progressive in India. The natural benefits of the railways, argued Naoroji, would ignite industrial growth of higher value-added goods and more advanced technology, enabling Indian industries to compete with imported goods (similar to his pro-free

⁹⁵³ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 49, 98. e.g. Dutt wrote about the success of reservoir, the Kaveri-Pak, an old Hindu reservoir (Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:199.).

⁹⁵⁴ Dutt, *Indian Famines, Their Causes and Prevention*, 86; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 21; Dutt, *Papers Regarding the Land Revenue System of British India*.

⁹⁵⁵ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 77–78.

⁹⁵⁶ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 124–25; Naoroji, *Poverty and Un-British Rule in India*, 4, 193.

⁹⁵⁷ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 122.

⁹⁵⁸ Joshi, *Writings and Speeches of G.V. Joshi*, 821.

⁹⁵⁹ *Ibid.*, 123.

⁹⁶⁰ Naoroji, *Poverty and Un-British Rule in India*, 63.

⁹⁶¹ John Hurd and Ian Kerr, “Railway Management and Railway Employees in Imperial India,” in *Railway Management and Its Organisational Structure: Its Impact on and Diffusion into the General Economy, Proceedings Twelfth International Economic History Congress* (Madrid, 1998), 103.

trade argument above).⁹⁶² Moreover, Ranade believed the state to be more capable of catering to the interests of the nation, meaning that publicly-owned railways would work towards Indian interests and consequently harness progress. In sum, institutional architecture in Indian Economics for a progressive India included public investment in irrigation and railways on the condition that it would be built to cater to domestic production through, for example, more internal rail tracks (rather than to and from ports).

Social Reform

Similar to the agricultural policies, social reform was only advocated by some Indian Economists. While Ranade has a whole collection of articles and lectures on religious and social reform,⁹⁶³ intellectuals like Naoroji and Dutt considered political freedom as a sufficient goal.⁹⁶⁴ In fact, the lack of discussion on social issues from the latter intellectuals is revealing. To them, social progress would come automatically once political freedom was achieved in India.⁹⁶⁵ However, universal education is an exception. Both Naoroji and Dutt advocated for universal education along the same lines as many of the Classical Political Economists – to be discussed at the end of this subsection.

Ranade and some other Indian Economists disagreed with the notion that social progress could be achieved organically or automatically after independence.⁹⁶⁶ The argument

⁹⁶² Naoroji, *Poverty and Un-British Rule in India*, 193.

⁹⁶³ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*.

⁹⁶⁴ Narahar Raghunath Phatak, *Nyayamurti Mahadev Govind Ranade: Yanche Caritra* (Pune: Neelkanth Prakashan, 1966), 347; Aparna Devare, *History and the Making of a Modern Hindu Self* (New Delhi: Routledge, 2011); Ambedkar, *Ranade, Gandhi & Jinnah*. There are of course exceptions, but generally do not form the bulk of their work. The exceptions that I have found include: 1. Naoroji published a piece on “the Parsi Religion” in the *Times*, which was later published as a pamphlet, but he makes his intentions clear from the first paragraph: “I do not wish in this paper to enter upon matters, but rather to place before of the present actual religious life of may be obtained of that religious life and of its development” (Dadabhai Naoroji, “The Parsi Religion,” *Time*, May 1889, 3.). 2. Dutt, wrote two letters to the *Indian Mirror* on the Age of Consent Bill, February 1891, proposing a compromise between the two opposing sides, which had been proposed by Manomohun Ghose, Hume, and Romesh Chunder Mitter. The Age of Consent Bill or Act X of 1891 raised the legal age of sexual intercourse with girls, married or unmarried, from 10 to 12 years old (Mrinalini Sinha, *Imperial Masculinity: The “manly Englishman” and the “Effeminate Bengali” in the Late Nineteenth Century* (Manchester: Manchester University Press, 1995), 138.). Like Ranade, Dutt argued that early marriage for women and sexual intercourse with girls were new customs that needed to be regulated. What Dutt worried most about was the fact this bill was disuniting India, which was causing harm to Indian progress. Consequently, Dutt pleaded that the moderate members of the different factions needed to meet to come to a compromise (Gupta, *Life And Work Of Romesh Chunder Dutt*, 103–4.).

⁹⁶⁵ See Ambedkar, *Ranade, Gandhi & Jinnah*.

⁹⁶⁶ Other social reformers of my period of study include Rammohan Roy, Ishwarchandra Vidyasagar, Behramji Malbari (see Charles Herman Heimsath, *Indian Nationalism and Hindu Social Reform* (Princeton: Princeton University Press, 1964); Vina Mazumdar, “The Social Reform Movement in India - From Ranade to Nehru,” in *Indian Women: From Purdah to Modernity* (New Delhi: Vikas, 1976), 41–66; Sunanda Sen, *Social and Religious Reform Movements in the Nineteenth and Twentieth Centuries*

was that social, religious and intellectual freedom, produced by social progress, would not come simply with independence or political freedom.⁹⁶⁷ Indian Economists such as Gokhale and Ranade prescribed liberty for all, regardless of religion, caste or class.⁹⁶⁸ Ranade was one of the leaders of the theistic movement called Prarthana Samaj (or Prayer Society) in western India that started in 1867-1868, wanting religious and social reform in Maharashtra to make everyone believe in one God. The movement was preceded by a secret, more radical, Bengali movement called Paramahansa Sabha in the 1840s founded by Atmaram Pandurang and Keshev Chandra Sen. Prarthana Samaj became particularly popular when Ranade joined.⁹⁶⁹ Ranade and Bhandarkar (a scholar and social reformer, and the other main leader of the movement) avoided the radical ideologies of the previous movement and described the newer social movement, Prarthana Samaj, as “Hindu Protestantism.”⁹⁷⁰ Ranade, and the other members of the movement, believed that the Hindu community was regressing and advocated for social reform that would stop the regressive forces.⁹⁷¹ The focus on Ranade here is particularly useful because he was one of the main successful proponents of social reform during his time in India.⁹⁷²

Ranade discussed social progress despite political restrictions in discussing them. INC banned any discussion relating to social issues in 1888. No debates around social issues that

(Calcutta: Institute of Historical Studies, 1979); Anupama Rao, *The Caste Question: Dalits and the Politics of Modern India* (Berkeley and London: University of California Press, 2009); Ghanshyam Shah, *Social Movements in India: A Review of Literature*, 2nd ed. (New Delhi and London: SAGE Publications India, 2004).).

⁹⁶⁷ See Kavalam Madhava Panikkar, *The State and the Citizen* (Bombay: Asia Publishing House, 1960); Ambedkar, *Ranade, Gandhi & Jinnah*.

⁹⁶⁸ See Elena Valdameri, “The Influence of Liberalism in the Definition of the Idea of the Nation in India,” *La Revolution Francaise*, 2015, 13.

⁹⁶⁹ See Suresh K Sharma and Usha Sharma, eds., *Cultural and Religious Heritage of India: Islam*, vol. 5 (New Delhi: Mittal Publications, 2004); Desai, *Social Background of Indian Nationalism*; J. V. Naik, “Social Composition of the Prarthana Samaj: A Statistical Analysis,” in *Proceedings of the Indian History Congress*, vol. 48, 1987, 502–11. For a comparative analysis of these different movements, see Kshitimohan Mukerji, “The Renaissance in Bengal and Maharashtrian Thought from 1850 to 1920,” *Artha Vijnana: Journal of Gokhale Institute of Politics and Economics* 4, no. 4 (1962): 331–41; Sophia Dobson Collet, *Brahma Year Book for 1880* (London: William and Norgate, 1880), 79; Dwarkanath Govind Vaidya, *Prarthana Samajacha Itihas* (Bombay: Prarthana Samaj, 1927), 308–31.

⁹⁷⁰ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 198–228; Naik, “Social Composition of the Prarthana Samaj: A Statistical Analysis,” 502–3.

⁹⁷¹ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, iii; Desai, *Social Background of Indian Nationalism*.

⁹⁷² Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, xxi–xxii.: this is taken from the introduction of the collection of essays on religious and social reform written by M. B. Kolasker (also the compiler of Ranade’s *Essays on Indian Economics*). See also Kellock, “Ranade and After: A Study of The Development of Economic Thought in India”; Chandra, *The Rise and Growth of Economic Nationalism in India*; Brown, *The Nationalist Movement: Indian Political Thought from Ranade to Bhave*; “London School of Economics Library Archives on Britain and South Asia (16-Non-ILP Print: Miscellaneous). Independent Labour Party Papers: ILP/16/1901. ‘Mahadev Govind Ranade: His Life and Career’ (Madras: G. A. Natesan and Company, Esplanade) (Pamphlet).”

were rejected by certain religious groups (Muslims, Hindus, Parsees, Christian) were allowed. For the sake of practicality, these issues were to be discussed within the concerned religious groups. Social issues that would foster conflicts were left off the Congress's agenda as of 1888. INC was only to be concerned with political matters. As a judge Ranade was not allowed to participate in INC – the judicial and political arms of the government were separate. The Social Conference – where Ranade held speeches regularly – had initially been held concurrently with INC but was excluded from the event as of 1895.⁹⁷³ Ranade's seemingly broader view of state intervention – which included social as well as economic and political issues – is then partly explained by Ranade's professional role as a judge. Both Naoroji and Dutt, on the other hand, were INC members, which would have restricted their discursive practices on social issues. However, as mentioned above, one major exception in Naoroji and Dutt's writings is their mention of moral progress, which was to be harnessed through universal public education – probably because general education was allowed to be discussed at INC.

Ranade was adamant that progress would not occur if political and economic progress was not coupled with social progress. Political freedom was not a sufficient goal in itself; social reform was also necessary to bring about the desired level of progress. Ranade had a broader view of state intervention, including social reform such as more progressive marriage laws and female rights.⁹⁷⁴ According to Ranade, progress required correct social, religious, economic and political ideas to circulate, because progressive movements could only gain traction through ideas. In turn, those ideas could only be implemented through state intervention, because the state had more capacity to act for the betterment of society than any individual.⁹⁷⁵ This relates to Ranade's idea about there being a select group of people or trustees that could bring about progress.

Ranade observed that the foreign invaders, both Mughal and British, had impacted Indian customs, which he did not necessarily discourage as long as the changes were conducive to progress. The interaction between the West and East could be conducive to progress to some extent,⁹⁷⁶ like the Muslims had brought progress to India.⁹⁷⁷ Prarthana Samaj's originality lay in reconciling Western rationalism with Indian religious and spiritual tradition,⁹⁷⁸ as suggested by

⁹⁷³ Christopher Bayly, *The Local Roots of Indian Politics: Allahabad 1880–1920* (Oxford: Oxford University Press, 1975), 133; Goswami, *Producing India: From Colonial Economy to National Space*, 231–32.

⁹⁷⁴ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 178.

⁹⁷⁵ *Ibid.*, 92–114.

⁹⁷⁶ *Ibid.*, 3; Brown, *The Nationalist Movement: Indian Political Thought from Ranade to Bhave*, 46–47.

⁹⁷⁷ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 230–31, 236–40.

⁹⁷⁸ Naik, "Social Composition of the Prarthana Samaj: A Statistical Analysis," 503.

the title assigned to the movement: “Hindu Protestantism.”⁹⁷⁹ The movement was inspired by Western sources, such as Draper’s *A History of the Intellectual Development of Europe*.⁹⁸⁰ Again, Ranade attempted to bring progress to India, which was modern, yet Indian.

However, Ranade worried that imperialism had interrupted India’s social progress. Western materialistic ideas had become too dominant, threatening orthodox Hindu society. In a chapter on the social condition of South India in the late 18th century, Ranade wrote that Maharashtra had seen social emancipation long before Western education and thought but had started to regress during the 19th century.⁹⁸¹ The Brahmins, according to Ranade, were more enlightened and advanced than Abbé Dubois described. The Brahmins were not polygamists, there were some inter-caste marriages and women were treated with respect. They had been free, which Ranade defined as a man able to resist his natural desires of the lower order. Man should not be restrained by family and caste customs, but rather be governed by self-imposed restraints of the free will. Humans alone can gain this freedom because they can tell right from wrong. The idea is very similar to Kant’s idea of freedom: humans have desires, but also a moral or transcendental self that can make us act in a correct way. Freedom was fundamentally based on collective and equal freedom – i.e. man chose the correct way if it was better for the collective good of society.⁹⁸²

However, these progressive forces that Ranade observed among the Brahmins in late 18th century South India had not trickled down to the rest of the population – as it naturally should have according to Ranade. Ranade blamed the lack of dissemination on the small size of the Brahmin caste. The Brahmins made up only 10% of the population and thus had too little influence and power. As a result, unjust and backward institutions emerged, degrading social progress. Much like Dutt claimed that the ancient village community should be revived, Ranade claimed that India needed to go back to its historical texts to find the necessary solutions to counteract the dominance of Western regressive materialistic ideas.⁹⁸³

Ranade’s social and religious reform movement advocated for three main social and religious reforms, namely female emancipation, religious tolerance and caste flexibility.

⁹⁷⁹ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 147, 172, 198–228; Naik, “Social Composition of the Prarthana Samaj: A Statistical Analysis,” 502–3.

⁹⁸⁰ *Official Report of the Prarthana Samaj of Bombay for its first seventeen years* (26 December, 1883), *The Prarthana Samaj Minute Book*, Vol. I, 1883, 1-2. Draper’s book is cited in Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 134.

⁹⁸¹ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, vi, 179-197.

⁹⁸² See Valdameri, “The Influence of Liberalism in the Definition of the Idea of the Nation in India.”

⁹⁸³ Ranade, *Rise of the Maratha Power*, 5, 64–76; Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, xi, 198-228.

According to Ranade, female emancipation (e.g. equal treatment of men and women, widow re-marriage, women's right to choose their own partner, marry at a mature age, female education etc.) came about "in the natural growth of things."⁹⁸⁴ Ranade identified female emancipation as a progressive force that was inevitable: "Slowly but surely the progress of liberal ideas must be allowed to work its way in reforming our social customs, and the process cannot be stopped even though we may wish it."⁹⁸⁵

Nevertheless, social progress needed to be pushed along with state intervention. For example, one of Ranade's petitions pushed the Legislative Council to pass the Act XV of 1856, legalising the marriage of Hindu widows.⁹⁸⁶ Ranade argued that the re-marriage of widows was indeed allowed by the ancient texts by Vedic Authorities and misinterpretation of these texts had made it illegal to re-marry.⁹⁸⁷ Additionally, Ranade and his contemporaries persuaded the British government to enact laws against the *sati* system that would force widows to commit suicide after their husband's death.⁹⁸⁸

The other two vital reforms were religious tolerance and caste flexibility. Ranade attempted to be tolerant of all religious beliefs, despite Ranade's Hindu affiliation and his denouncing the other dominant religion in India, Islam. Gokhale described Ranade as a man tolerant of both religions and castes differences, and found him willing to co-operate with anyone in order to bring progress for all. Ranade, according to Gokhale, considered the people of India as first Indians and then Hindus, Muslims, Parsees or Christians etc. ⁹⁸⁹ For instance, Ranade's speech at the Indian Social Conference at Lucknow in 1900 described how India had prospered from the interaction between Hinduism and Islam. Accordingly, the speech was entitled "I am neither a Hindu nor a Mahomedan,"⁹⁹⁰⁹⁹¹ a phrase, according to Ranade, used by Guru Nanak,

⁹⁸⁴ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 97.

⁹⁸⁵ *Ibid.*, 168.

⁹⁸⁶ *Ibid.*, xvii; Brown, *The Nationalist Movement: Indian Political Thought from Ranade to Bhave*.

⁹⁸⁷ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 53–91.

⁹⁸⁸ John Stratton Hawley, ed., *Sati, the Blessing and the Curse: The Burning of Wives in India* (New York: Oxford University Press, 1994); Robert L. Hardgrave, "The Representation of Sati: Four Eighteenth Century Etchings by Baltazard Solvyns," *Bengal Past & Present* 117 (1998): 57–80; Radha Kumar, "From Chipko to Sati: The Contemporary Indian Women's Movement," in *The Challenge of Local Feminisms: Women's Movements in Global Perspective*, ed. Amrita Basu (Boulder, Colorado: Westview Press, 1995); Lucy Moore, *Maharanis: The Extraordinary Tale of Four Indian Queens and Their Journey from Purdah to Parliament* (London: Penguin, 2004).

⁹⁸⁹ "London School of Economics Library Archives on Britain and South Asia (16-Non-ILP Print: Miscellaneous). Independent Labour Party Papers: ILP/16/1901. 'Mahadev Govind Ranade: His Life and Career' (Madras: G. A. Natesan and Company, Esplanade) (Pamphlet)," 40.

⁹⁹⁰ A Muslim.

⁹⁹¹ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 229–49.

the founder of Sikhism in the 15th century, in an attempt to establish a union between the two dominant religions of India.⁹⁹²

Akbar's unification of India, according to Ranade, enabled Hindus and Muslims to build a united nation with "common interests and common ambitions."⁹⁹³ The cooperation of Hindus and Muslims allowed an exchange of ideas that inevitably helped India to progress.⁹⁹⁴ In fact, Ranade's aforementioned speech described Akbar's religious policy of tolerance and cooperation, *Din-I-ilahi* of 1592 AD,⁹⁹⁵ and also had another title: "the Key to Progress."⁹⁹⁶ The policy was based on the principle of absolute peace, *sulh-i-kul*, promoting peace through inter-religious dialogue and tolerance.⁹⁹⁷ Like Akbar's policy, Ranade and the members of Prarthana Samaj argued for religious tolerance and caste flexibility because it would lead to an Indian national unity and subsequently balanced progress.⁹⁹⁸ According to Ranade, Akbar's policy had started a progressive development of blurring rigid caste lines, leading to inter-caste marriages, which Aurangzeb, Akbar's successor and son, unfortunately reversed.⁹⁹⁹ Religious tolerance fostered cooperation, which was part of the intentional plan to harness balanced progress – as seen above.

Unfortunately, despite Ranade's insistence on social reform, the discussions are scattered and rarely precise. Given the ban imposed by INC in 1888 to prohibit any discussions on religious and social issues, it is unsurprising that Ranade would have been careful to cause a conflict in a

⁹⁹² Ibid., 244; Luis Moreno and Cesar Colino, *Diversity and Unity in Federal Countries* (Montreal: McGill-Queen's Press-MQUP, 2010); Harjot Oberoi, *The Construction of Religious Boundaries: Culture, Identity, and Diversity in the Sikh Tradition* (Chicago: University of Chicago Press, 1994).

⁹⁹³ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 238.

⁹⁹⁴ Ibid., 242–45.

⁹⁹⁵ For more information, see Burton Stein, *A History of India* (Oxford: John Wiley & Sons, 1983), 169–72; Sri Aurobindo, "The Renaissance in India" (Pondicherry: Sri Aurobindo Ashram, 1918); Makhan Lal Roy Choudhury, *The Din-i-Ilahi: Or, The Religion of Akbar*, 3rd ed. (New Delhi: Oriental Reprint, 1985); M. Athar Ali, "The Evolution of the Perception of India: Akbar and Abu'l Fazl," *Social Scientist* 24, no. 1/3 (1996): 80–88; M. Athar Ali, "Akbar's Ibadatkhana," *Dawn Magazine*, 2003; Amartya Sen, *The Argumentative Indian: Writings on Indian History, Culture and Identity* (New York: Farrar Straus and Giroux, 2005); Cemil Kutluturk, "A Critical Analysis of Akbar's Religious Policy: Dini Ilahi," *Journal of International Relations and Diplomacy* 4, no. 6 (2016): 407–18.

⁹⁹⁶ Reprinted in Brown, *The Nationalist Movement: Indian Political Thought from Ranade to Bhave*, 40–58. The same speech is simply labelled Speech at Indian Social Conference in Mohan Ramanan, ed., *Nineteenth Century Indian English Prose: A Selection* (Mumbai: Sahitya Akedemi, 2004), 85–90. Each reprint is almost identical with only slight differences in phrasing.

⁹⁹⁷ Jawad Syed, "Akbar's Multiculturalism: Lessons for Diversity Management in the 21st Century," *Canadian Journal of Administrative Sciences / Revue Canadienne Des Sciences de l'Administration* 28, no. 4 (December 1, 2011): 402–12; Ali, "Akbar's Ibadatkhana"; Abul Fazl, *The Akbarnama of Abu'l Fazl: History of the Reign of Akbar Including an Account of His Predecessors*, trans. Henry Beveridge, vol. 3 (Calcutta: New Asian Printers, 1939).

⁹⁹⁸ Fazl, *The Akbarnama of Abu'l Fazl: History of the Reign of Akbar Including an Account of His Predecessors*, 3:30.

⁹⁹⁹ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 240–47.

nation he wished to unite. For instance, apart from the discussion above on Brahmins in late 18th century South India, Ranade mentioned no specific castes or policies that would make Indian social structures less rigid.

In fact, the first comprehensive and explicit discussion on caste and class in Indian Politics only appeared during Ambedkar's address *Mukti Kon Pathe?* (*Which Way to Emancipation?*) on 20 June 1936.¹⁰⁰⁰ Interestingly, Ambedkar was born into a low Mahar caste family in 1891 in the Central Provinces (now Madhya Pradesh), a caste treated as untouchables and suffered under socio-economic discrimination. As he experienced social exclusion throughout his childhood – untouchables were not to be touched or interacted with – Ambedkar became a spokesperson for these lower castes as an adult. His background must be one reason why Ambedkar found it important enough to break the silence. In a speech in 1943, Ambedkar acknowledged how brave Ranade had been to discuss social reform in such a hostile environment. There were several figures that were actively against Ranade, e.g. an orthodox Hindu, Vishnushastri Krushnashastri Chiplunkar,¹⁰⁰¹ and Tilak. This then explains Ranade's dismissive and vague discussion on caste.

Throughout the early 20th century, the general consensus was that the imperial census in India – first conducted on a national scale in 1881¹⁰⁰² - cemented caste because it categorised Indians into certain castes even if they had not previously been associated with specific castes. However, more recent scholarship has found that the pre-census caste flexibility primarily existed among the upper three castes, not in the lower castes.¹⁰⁰³

Many scholars have highlighted the elitist nature of the religious and social movements. Ranade, as well as his contemporaries, were mostly Hindu and part of the intellectual elite in the upper or middle class urban or semi-urban areas. For instance, a statistical analysis of the members of Prarthana Samaj shows how its original aim to appeal to all religions and castes was

¹⁰⁰⁰ See Gail Omvedt, *Ambedkar: Towards an Enlightened India* (Penguin India, 1960); Santosh Suradkar, "Mukti Kon Pathe? Caste and Class in Ambedkar's Struggle," *Economic and Political Weekly* 52, no. 49 (2011): 402–12.

¹⁰⁰¹ Chiplunkar (1850-1882) was a Marathi writer and school teacher. For example, he founded the newspaper *Kesari* (in Marathi) and *Mahratta* (in English) in 1880 along with Tilak and Gopal Ganesh Agarkar.

¹⁰⁰² The first ever census in India was conducted in the North-West Provinces in 1865 and the synchronous decennial census of India was first conducted in 1881 – see Ram B. Bhagat, "Census and Caste Enumeration: British Legacy and Contemporary Practice in India," *Genus* 62, no. 2 (2006): 119–34; Peter Gottschalk, *Religion, Science, and Empire: Classifying Hinduism and Islam in British India* (Oxford: Oxford University Press, 2013); Jayanta K. Ghosh et al., "Evolution of Statistics in India," *International Statistical Review* 67, no. 1 (April 1, 1999): 13–34.

¹⁰⁰³ Bernard S. Cohn and Ranajit Guha, *An Anthropologist among the Historians and Other Essays, An Anthropologist Among the Historians and Other Essays* (New Delhi: Oxford University Press, 1987), 100; Cohn, *Colonialism and Its Forms of Knowledge: The British in India*; Rao, *The Caste Question: Dalits and the Politics of Modern India*.

unsuccessful. The movements' eclectic nature and over-emphasis on spiritual development rather than ordinary human interests (such as worshipping stone idols) thwarted its appeal to a large base. Based on the list of members, the Prarthana Samaj never moved away from its narrow Hindu elite-intellectual circle (e.g. most members were well educated people living in urban or semi-urban areas, and the vast majority, well over 90%, were Hindus).¹⁰⁰⁴ Ranade's group within Indian Economics called for social progress coupled with political freedom in their prescriptions for balanced growth.¹⁰⁰⁵ Yet despite a few laws (e.g. widow remarriage, abolishing sati and raising the age of child marriage), the social movement remained (in practice) upper-caste centric – a phenomenon India still deals with today.

The final component of social reform was universal public education, which, unlike the religious and caste issues discussed above, was a remedy prescribed by most of the Indian Economists. Naoroji described the need for education to harness moral progress¹⁰⁰⁶ and Dutt clearly identified education as a way to harness social progress.¹⁰⁰⁷ Indian Economics generally found that Western education had harnessed such moral progress in India.¹⁰⁰⁸ One of the major figures in advocating for such a cause was Gokhale, a disciple of Ranade. Gokhale put together an education bill, arguing for universal public education. Spreading education, argued Gokhale, would render workers and peasants stronger and healthier, because they would take better care of themselves (in terms of hygiene and nutrition) and understand better how to deal with their money.¹⁰⁰⁹ Gokhale's Education Bill did not pass primarily due to opposition from Tilak and his Extremist group – see chapter 2 for more discussion on this group. As found by Ambedkar and secondary literature, this means that those fighting for political freedom such as Tilak were not

¹⁰⁰⁴ Naik, "Social Composition of the Prarthana Samaj: A Statistical Analysis," 504, 510.

¹⁰⁰⁵ Ranade, *Rise of the Maratha Power*; Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*; Phatak, *Nyayamurti Mahadev Govind Ranade: Yanche Caritra*, 347; Devare, *History and the Making of a Modern Hindu Self*; Ambedkar, *Ranade, Gandhi & Jinnah*.

¹⁰⁰⁶ Naoroji, *Poverty and Un-British Rule in India*, 239; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 80, 159, 549.

¹⁰⁰⁷ Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:7; Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 104-5, 155. For similar arguments, see Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 290.

¹⁰⁰⁸ Naoroji, *Poverty and Un-British Rule in India*, 387; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 549; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:17; Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 246.

¹⁰⁰⁹ The *Mahratta*, "Elementary Education Bill objections answered. Hon. Mr Gokhale's speech," 30 July 1911, 397-369. See Valdameri, "The Influence of Liberalism in the Definition of the Idea of the Nation in India." There were other local examples of education schemes – e.g. Navrozji Fardunji and the 'Tribune of the People', which was an active Parsi reform and education promotion (see Naoroji, *Dadabhai Naoroji: Selected Private Papers*, xv.).

necessarily fighting for social freedom.¹⁰¹⁰ The secondary literature rightly asks, whose nation did these extremists represent then, if they denied education to the poor, lower castes and women? Indeed, this is far from the vision of Indian Economics, which argued that religious tolerance, caste flexibility and universal public education would foster cooperation and, as seen in the subsection on order above, subsequently harness balanced and equitable progress.

Reinvestment or Drain Reduction

The drain theory and how it fit into the idea of progress in Indian Economic was discussed in chapter 3, here I will analyse how the theory fits into Indian Economics' idea of development. As seen in Naoroji's quote cited at the beginning of this chapter, reducing the drain was one of the main priorities for Indian Economics: "The merit or good of every remedy will depend upon and be tested by its efficacy in stopping this deplorable drain."¹⁰¹¹ As discussed in chapter 3, the British drain of Indian resources had led to considerable "disorder."¹⁰¹²

Reducing the drain was considered a priority for many elites in both Britain and India. There are many examples, I shall only mention a few. Firstly, Lord Ripon, Viceroy of India 1880-1884 said, "India needs rest," referring to the need to decrease the drain of Indian resources.¹⁰¹³ Secondly, Henry Hyndman's *Bankruptcy of India* took many ideas from Naoroji's *Poverty of India*,¹⁰¹⁴ describing India as poor and famine stricken to a larger extent than had been seen in the British press previously.¹⁰¹⁵ It made him the most vehement critic of British policy in India. Hyndman specifically proposed reducing the drain in his book entitled *England for All*.¹⁰¹⁶

¹⁰¹⁰ Ambedkar, *Ranade, Gandhi & Jinnah*; Parimala V. Rao, *New Perspectives on the History of Indian Education* (New Delhi: Orient Blackswan, 2014); Valdameri, "The Influence of Liberalism in the Definition of the Idea of the Nation in India," 10.

¹⁰¹¹ Naoroji, *Poverty and Un-British Rule in India*, 201., see also Ibid., 226; Dutt, *Indian Famines, Their Causes and Prevention*, 3; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:436–37; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 49.

¹⁰¹² Dutt used Burke word "disorder" to describe the regressive forces caused by the economic drain in 1783 (Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:49., see also Naoroji, *Poverty and Un-British Rule in India*, 219.

¹⁰¹³ Naoroji, *Poverty and Un-British Rule in India*, 226; Mathur, *Lord Ripon's Administration in India (1880-84 AD)*; Denholm, *Lord Ripon, 1827-1909: A Political Biography*; Tinker, *The Foundations of the Local Self-Government in India, Pakistan and Burma*.

¹⁰¹⁴ Naoroji, *Dadabhai Naoroji: Selected Private Papers*, xxiv–xxv, 242. The socialist Hyndman and Naoroji began correspondence in 1878 after Hyndman had found a copy of Naoroji's *Poverty of India* at a parliamentary bookseller's premises. Hyndman and Naoroji went to the International Socialist Conference in Amsterdam in 1904 (Ibid., 242–44.).

¹⁰¹⁵ Published in *Nineteenth Century*, October issue, 1878.

¹⁰¹⁶ Henry Mayers Hyndman, *England For All* (London: E. W. Allen, 1881), 144.

Thirdly, in a letter from Naoroji to Dutt, 5 July 1903, Naoroji wrote that John Bright¹⁰¹⁷ argued that the only appropriate imperial plan was for Britain to stop the drain – “To trade with India, and not to plunder India.”¹⁰¹⁸ Fourthly, Naoroji mentioned, in a speech at the Fawcett Memorial Meeting in Bombay, 2 September, 1885 at the Bombay Presidency Association, how Fawcett had commented on Naoroji’s notes for a report to be submitted to the Finance Committee in England, 1873, about the drain. Naoroji said that Fawcett “considered them very carefully and told me that that was the very thing that ought to be brought to the committee.”¹⁰¹⁹ Finally, Naoroji was impressed by James Caird’s paper on the “Condition of India” in which, despite his support of the imperial administration, realised the abnormal economic situation in India.¹⁰²⁰ Robert Knight also agreed with Indian Economics that India’s poverty was increasing.¹⁰²¹ Naoroji declared that these advocates were necessary for India.¹⁰²²

Dutt and Naoroji proposed three ways to reduce the drain. Firstly, the public debt and public expenditure in India should be reduced. Dutt had calculated that while British public debt had decreased, Indian public debt had doubled.¹⁰²³ According to Naoroji, the debt had increased from 118.5 million pounds in 1875 to 220.5 million pounds in 1895.¹⁰²⁴ Secondly, England should pay for a share of the Indian military expenditure because the wars were largely for imperial purposes. Dutt used Henry Campbell-Bannerman’s speech at the House of Commons,¹⁰²⁵ in which he said that Britain used Indian troops for its imperial wars in China or South Africa at India’s expense, challenging the extortionate military expenditure in India.¹⁰²⁶ Finally, the imperial administration should follow the Queen Victoria’s Royal Proclamation of 1858 that guaranteed the employment of natives in the administration, which would allow more

¹⁰¹⁷ Bright was a radical and liberal statesman, who reasoned that Britain had a moral obligation to give back to India what Britain was currently gaining from imperial rule (in particular at a meeting of the East India Association in Westminster Town Hall, July 1887).

¹⁰¹⁸ Naoroji, *Dadabhai Naoroji: Selected Private Papers*, 169.

¹⁰¹⁹ (Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 358.).

¹⁰²⁰ Naoroji, *Poverty and Un-British Rule in India*, 203. Caird was a member of the Indian Famine Commission.

¹⁰²¹ *Ibid.*, 40–41. Knight was editor of *Times of India* and founder of *The Statesman*, two of the most prominent newspapers in India during the 19th century (see Jitendra Nath Basu, *Romance of Indian Journalism* (Calcutta: Calcutta University, 1979), 200; Asima Ranjan Parhi, *Indian English through Newspapers* (New Delhi: Concept Publishing Company, 2008), 26–27.).

¹⁰²² Naoroji, *Poverty and Un-British Rule in India*, 203.

¹⁰²³ Dutt, *Indian Famines, Their Causes and Prevention*, xviii, 13, 15; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 21.

¹⁰²⁴ Naoroji, *Poverty and Un-British Rule in India*, 13.

¹⁰²⁵ British Prime Minister from 1905 to 1908.

¹⁰²⁶ Dutt, *Indian Famines, Their Causes and Prevention*, 13.

salaries and pensions to stay in India.¹⁰²⁷ Dutt calculated that almost 14 million pounds were spent on European salaries and pensions for higher positions, compared to only just over 3 million to Indian employees.¹⁰²⁸ These actions would, according to many Indian Economists, decrease the drain and in turn increase domestic capital and investment needed to finance the development plan for balanced growth.

The Institutional Architecture to Harness Balanced Growth in Indian Economics

The institutional requirements listed above fit into an overall agenda to foster balanced growth in a progressive India. The idea of development in Indian Economics constructs a plan to foster progress through an array of elements and policies as seen above. I demonstrate below that Indian Economics was a precursor to the mid-20th century balanced growth theories.

Indian Economics argued that progress or growth needed to occur in several sectors of the economy.¹⁰²⁹ The balanced growth argument is most apparent in Ranade's quote cited at the beginning of the chapter. Progress could only be harnessed with a coordination of "three-fold forms of industrial activity," which included agricultural production of raw materials, industrial production using raw materials, and distribution of the finished manufactured products.¹⁰³⁰ Rather than the more formal categorisation of agricultural, industry, services and finance, Ranade and Dutt saw the economy split into the peasants who tend the soil, the workers who produce goods out of the raw materials grown by the peasants and the merchants who distribute those goods.¹⁰³¹ Dutt similarly wrote that "a healthy state of things when a large proportion of a nation are engaged in cultivating the soil, while a fairly large proportion of them are also engaged in industries."¹⁰³² As noted above, both Ranade and Dutt criticised the dominant theory of *laissez-faire* and proposed simultaneous intervention in the agricultural and industrial sectors to harness progress. As also mentioned, Indian Economics followed other schools of political economy such as the German Historical School. Indian Economics also prescribe what

¹⁰²⁷ Ibid., 13–14; Dutt, *Papers Regarding the Land Revenue System of British India*, 1–23.

¹⁰²⁸ Dutt included figures on the total money spent on salaries and pensions higher than a thousand rupees per year (100 pounds, according to Dutt) from 1892, representing the salaries and pensions of higher positions, which, based on the figures divided by European and Indian officials, were reserved almost exclusively to Europeans.

¹⁰²⁹ Goswami, *Producing India: From Colonial Economy to National Space*, 215.

¹⁰³⁰ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 20–21, 196.

¹⁰³¹ Ibid.; Dutt, *The Peasantry of Bengal*, 231.

¹⁰³² Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 91. For another example, see Gokhale, *Speeches and Writings of Gopal Krishna Gokhale*, 87. For a discussion in the secondary literature, see Vaman Govind Kale, *Gokhale And Economic Reforms* (Pune: Aryabhushan Press, 1916), 109; Chandra, *The Rise and Growth of Economic Nationalism in India*, 120.

was later to be coined balanced growth put forward by Nurkse and seen later in India's post-independence five-year plans first implemented by Jawaharlal Nehru from 1951 to 1956.¹⁰³³

Balanced growth was possible because sectors of the economy were interdependent, as analysed in chapter 3. The law of interdependence meant "the interplay of those three-fold activities makes a Nation thrive."¹⁰³⁴ In an overview of "Political Economy," Ranade argued that the theory of natural liberty wrongly assumed that all wealth was produced only by human labour, which had given agriculture more importance in the economy, rather than manufacturers.¹⁰³⁵ This, theorised Ranade, culminated in the French Revolution and the school of Physiocrats.¹⁰³⁶ Fortunately, wrote Ranade, Smith, J.S. Mill and List returned to the idea that an economy is best constructed of several sectors.¹⁰³⁷

Balanced growth was necessary for national insurance because it brought self-sufficiency. Indian Economics argued for simultaneous progress in the industrial and agricultural sectors in order for India to become self-sufficient. India was in a regressive state both in its industrial and agricultural sectors. The cause of regression was not due to inherent Indian weaknesses or natural regressive forces, as argued by the imperial discourse most known as the civilising mission. Rather, Indian Economics argued that there were unnatural regressive forces. For instance, Dutt identified the obligatory wheat exports imposed by the imperial administration during famines. As a result, India needed to gain food sovereignty in case of naturally low yields caused by droughts.¹⁰³⁸ Dutt even questioned whether Britain's own insufficient domestic food supply was regressive. In sum, balanced growth was necessary for self-sufficiency or national insurance in case of natural or political disaster.

Although simultaneous progress in agricultural and industrial sectors was vital, Indian Economics exposed an inequality between the two sectors. As mentioned above, the agricultural sector was necessary for self-sufficiency, but it had decreasing returns. Agricultural production could never bring about the necessary capital accumulation needed to harness progress. The industrial sector had increasing returns and therefore increased capital accumulation, which, in turn, fuelled further industrialisation. The industrial sector had increasing returns because it

¹⁰³³ Ragner Nurkse, *Problems of Capital Formation in Underdeveloped Countries* (New York: Oxford University Press, 1961), 163; Dasgupta, *A History of Indian Economic Thought*, 53:90.

¹⁰³⁴ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 196.

¹⁰³⁵ *Ibid.*, 14–16.

¹⁰³⁶ *Ibid.*, 17.

¹⁰³⁷ *Ibid.*, 17, 20–21, 28. Similarly, Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:300; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 123–24.

¹⁰³⁸ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 89–90.

had larger potential for high value-added goods – i.e. profits would tend to increase for industrial goods compared to agricultural goods that were low value-added which tended to decrease over time. The idea, however, that all industrial goods would have high value-added is clearly questionable. As some studies argue, countries with industrial goods that produce low value-added goods compared to other countries with relatively higher value-added goods will accrue proportionately different levels of wealth.¹⁰³⁹ Still, a country with a low-value added goods industrial sector is better off than one without any industrial production – to be discussed further in chapter 5. Industrialisation must therefore be the highest priority for any nation.

It was therefore important that trade policy encouraged high value-added exchange because more trade was not necessarily a sign of progress. A dominance of raw material exports, asserted Ranade and Naoroji, meant that India was both exporting low value-added goods and losing out on its former skills in, and wealth from, manufacturing.¹⁰⁴⁰ Indeed, by the late 19th century India was being clothed by “distant masters” although India had previously clothed itself in the middle of the century.¹⁰⁴¹ The Indian Economists theorised that growing trade did not necessary lead to increasing national wealth, while national wealth was necessary for increasing trade. Higher national wealth meant higher domestic demand – essential for sustained industrialisation. Industrial policy was required to trigger industrialisation which would yield high-value added exports and subsequently progress.

Indian Economics especially saw the need for industrialisation because industrialisation was both “inevitable” and desirable.¹⁰⁴² Dutt observed that early civilisation exploited raw materials to progress, whereas in modern times, civilisation, such as the one in Britain, harnessed progress by innovating technology (e.g. steam) that developed manufacturers.¹⁰⁴³ India had been able to harness progress like Britain had, because India’s economy had been ruralised as a result of regressive imperialist actions. Policies not fostering industrialisation could “only be temporary palliatives” – India needed “industrial salvation.”¹⁰⁴⁴ Industrialisation was relatively more

¹⁰³⁹ Erik S Reinert, “The Role of the State in Economic Growth,” *Journal of Economic Studies* 26, no. 4–5 (1999): 268–326; Reinert, Ghosh, and Kattel, *Handbook of Alternative Theories of Economic Development*, xviii, xix.

¹⁰⁴⁰ e.g. Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 197; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 113.

¹⁰⁴¹ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 198.

¹⁰⁴² *Ibid.*, 126.

¹⁰⁴³ Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*, 2:1; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 89–90.

¹⁰⁴⁴ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 126–27, 130–31; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 90.

important than agricultural progress, both because the agricultural sector produced low value-added goods and because India's industrial sector was less dominant than its agricultural sector.

Conclusion

The idea of development in Indian Economics was shaped through multidiscursive and multispatial contexts. Indian Economics' development discourse was clearly affected by what Bakhtin's labels addressability and answerability. The Indian Economists interacted with an imperial audience and anticipated certain responses. Additionally, my analysis demonstrates that the Indian Economists were interacting with their context, creating a unique combination of discursive practices and enabling Indian Economics to create a distinct idea of development.

Indian Economics prescribed institutional requirements for a progressive India resembles 20th century balanced growth theories, where all sectors of the economy needed to progress. The idea of development that emerges is nuanced, as seen with progress in chapter 3. One major internal disagreement within Indian Economics is whether there was a need for social as well as political and economic reform. Ranade and his followers in the social movement disagreed with Naoroji and Dutt (among others) that political and economic reform was sufficient to harness progress. According to Ranade, social progress would not come automatically. The Indian Economists did, however, all prescribe universal education to bring about moral progress.

While the chapter has laid out the details and analysed the discursive practices of Indian Economics' prescriptions for balanced growth, the following chapter shall question the overall approach. Indian Economics was and is often labelled nationalist because its members were proponents of independence and generally labelled as the first generation of the nationalist movement, and because they favoured List's *National System of Political Economy*. At the same time, as seen thus far, Indian Economics adopted ideas of progress and development, associated with schools of thought that assume a universalist approach to progress such as Classical Political Economy. To many economists, however, the nationalist approach is opposite to and incompatible with the universalist approach to progress. The next chapter shall thus explore the general approach in Indian Economics, arguing that nationalism is not incompatible with universalism and suggesting that Indian Economics redefined universal in existing ideas around progress and development.

Chapter 5 – Indian Economics’ Discursive Contribution: Towards a Universal Idea of Development

*The East must produce its own thinkers, its own historians, its own economists.*¹⁰⁴⁵

Romesh Chunder Dutt

Dutt uttered that India “needs its own thinkers, its own historians, its own economists” in an article about his literary influences.¹⁰⁴⁶ The statement comes after Dutt has listed the most influential Political Economists in his life: “Adam Smith and Ricardo and John Stuart Mill opened out a new world to me.”¹⁰⁴⁷ He also mentioned Fawcett, Sismondi and Émile Louis Victor de Laveleye.¹⁰⁴⁸ Dutt found that these European thinkers did

*not understand the Indian land system, even [J.S.] Mill, who was thirty years in the India Office, speaks of the system of England and Ireland, France and Italy, but does not venture to touch on Indian problems in his “Political Economy.”*¹⁰⁴⁹

European scholarship did not adequately take into consideration Eastern thought and experiences.¹⁰⁵⁰ My analysis will show that Dutt, as well as others, incorporated Indian particulars into their Indian Economics, attempting to highlight previously undocumented discursive innovation present in Indian Economics’ idea of development.

Some scholars maintain that although Indian Economics identified British rule as a barrier to economic development, the economic thinking did not find solutions to generating economic growth nor did Indian Economics create alternative economic tools to analyse economic development.¹⁰⁵¹ Previous literature seems to focus on the discursive and material

¹⁰⁴⁵ A contribution to the *Wednesday Review* by Dutt, 23rd August 1905, reprinted in Gupta, *Life And Work Of Romesh Chunder Dutt*, 382–89.

¹⁰⁴⁶ Ibid.

¹⁰⁴⁷ Ibid.

¹⁰⁴⁸ Laveleye was a Belgian economist. He was one of the co-founders of the Institut de Droit International in 1873. See chapter 2 for a full discussion on Dutt’s article.

¹⁰⁴⁹ Dutt 1905, reprinted in Gupta, *Life And Work Of Romesh Chunder Dutt*, 388.

¹⁰⁵⁰ “But European histories are imperfect, and take little count of Eastern thought; and it was late in life that I learnt something of those noble systems of philosophy which India produced twenty-five centuries ago, the Sankhya and Vedanta” (Ibid.).

¹⁰⁵¹ For example, *The Times* and *The Times of India* reviews of Dutt’s volume on Indian history wrote: “The literary skill and research which he has devoted to his object, prove Mr. Dutt to be capable of writing history if he could for a moment put his politics aside. But the work before us is not a history, it is merely a collection of historical arguments for the use of a political sect” (reprinted in Ibid., 294.). Similar conclusions can be found in later scholarship, see e.g. Gopalakrishnan, *Development of Economic Ideas in India, 1880-1914*; Chandra, *The Rise and Growth of Economic Nationalism in India*; Bipan Chandra,

constraints imposed upon imperial subjects. For instance, the literature concludes that the British dominant discourse such as political economy categories and norms taught at the imperial universities made discursive innovation difficult for Indian intellectuals – see chapter 2 for a discussion on imperial education at this time. Additionally, India’s imperial status and extreme poverty is said to have made the Indian intellectuals preoccupied with urgent political and economic needs, rather than knowledge creation. Indian intellectuals needed to prioritise bringing about independence and preventing further deaths caused by extreme poverty. I claim then that this literature fails to see ingenuity due to observed limits to discursive practices such as Western education, censorship in India and pressing real economic deprivation. However, my reading of the primary sources indicates a different conclusion. I find that the Indian Economists’ multidiscursive and multispatial contexts, although some of which were constraints, did leave room for imagining a new configuration of the global political economy of development.

The historical, political and socio-economic context offered the discursive possibility necessary for the Indian Economists to re-articulate and re-define discursive practices, rather than only reproduce existing dominant economic theories. Bakhtin’s theory of dialogism operationalised through my PDA method reveal the opportunity in two ways. Firstly, my research design has enabled me to systematically expose the link between context and discourse, by analysing both in tandem. The analysis moves back and forth between context (by examining secondary economic history literature and my primary sources) and the discursive practices (by analysing my primary sources). Secondly, my research design highlights how discourse can both constrain and facilitate social actions. Our field of perception is limited by the discursive resources at our disposal, but those resources simultaneously offer meaning and understanding of our context. The Indian Economists were given discursive practices (i.e. concepts, frameworks and tools of analysis) from their university education and existing literature that were primarily based on another regional context – as articulated by the Indian Economists themselves – refer back to chapter 2 for examples. They used these imported and imposed discursive practices to understand different regional circumstances in the South Asian subcontinent.¹⁰⁵² In doing so, Indian Economics deconstructed the naturalised idea of European historical superiority (i.e. historicism) and redefined the universal in the dominant idea of development. Discursive practices are shown therefore to a) be highly linked to context, and b)

“Reinterpretation of Nineteenth Century Indian Economic History,” *Indian Economic & Social History Review* 5, no. 1 (1968): 35–75.

¹⁰⁵² See Seth, *Subject Lessons: The Western Education of Imperial India*. for an analysis of how British imperialism had a pedagogic project to impose Western modern education on India.

facilitate and enable discursive innovation and social action. In sum, while there are several traces (e.g. citations and similar wording) of existing thought in the primary sources, my approach has enabled me to uncover a universal idea of development in Indian Economics. The idea is universal because it prescribes industrialisation and (eventually) free trade to all nations. Indian Economics' idea of universal development effectively rejects the dominant international division of labour theory, which assigned raw material production to the East and manufacturing to the West.

I must first, however, explore Indian Economics' nationalist perspective. As chapter 4 showed, the idea of development in Indian Economics was to some degree nationalistic, much like other nationalist economic theories in the late 19th century – e.g. the German Historical School, Friedrich List's theories and American Political Economy. Indian Economics theorised that India should have self-rule, industrialise through protection and make sure to be self-sufficient in food and sustained industrialisation.¹⁰⁵³ Nevertheless, Indian Economics' idea of development had universalist characteristics that are often overlooked. The chapter thus starts with an investigation into how Indian Economics was able to reconcile its nationalist perspective with a universal view of development.

Reconciling Nationalism and Universalism

The ideas of progress and regress in Indian Economics portray a continuous flow of positive and negative societal change that spreads unevenly around the world. During some periods, the East is progressive, and during others, the West is progressive. As described at the end of Dutt's *A History of Civilization in Ancient India*:

*The influence of civilisation will spread, and the light and progress which has been lighted in Southern Europe will yet spread to the shores of the Ganges. And if the science and learning, the sympathy and example of modern Europe help us to regain in some measure a national consciousness and life, Europe will have rendered back to modern India that kindly help and brotherly service which India rendered to Europe in ancient days — in religion, science, and civilisation.*¹⁰⁵⁴

¹⁰⁵³ This discourse eventually manifests itself into the Swadeshi movement that encouraged Indians to buy Indian manufactured cotton clothes, officially established in 1905 (see Chatterjee, *Nationalist Thought and the Colonial World: A Derivative Discourse*; Chatterjee, *The Nation and Its Fragments: Colonial and Postcolonial Histories*; Manu Goswami, "From Swadeshi to Swaraj: Nation, Economy, Territory in Colonial South Asia, 1870 to 1907," *Comparative Studies in Society and History* 40, no. 4 (October 12, 1998): 609–36; Goswami, *Producing India: From Colonial Economy to National Space*).

¹⁰⁵⁴ Romesh Chunder Dutt, *A History of Civilization in Ancient India Based on Sanskrit Literature* (Calcutta: Thacker Spink and Company, 1891), 810. Also quoted in a review of the book in the *Morning Post* (London), 22 June 1891, and Gupta, *Life And Work Of Romesh Chunder Dutt*, 130.

In late 19th century India, imperialism was not bringing the necessary amounts of progressive forces. Indian Economics therefore conceptualised an idea of development that adopted universal criteria of progress and development within a nationalist perspective that could cater to the local, historical, social, economic and political context in India. The nationalist perspective in Indian Economics does not deny universal criteria that harness positive or negative forces of change. I will demonstrate below how Indian Economics reconciles nationalism and universalism.

Economic nationalism is generally seen to place the nation as the unit of focus (the nation's needs, interests and identity) and, consequently, sees the possibility for a different path of progress and development for each nation.¹⁰⁵⁵ Universalism places the individual at the centre of society, instead of the nation, and assumes that all countries progress through the same stages.¹⁰⁵⁶ The purpose of economic nationalism is to maximise the nation's wellbeing implemented through policies that harness progressive forces within the specific domestic economy. Universalism seeks to allow individuals to reach their full potential, most efficiently achieved through individual liberty.

Chandra's seminal work on Indian Economics was one of the first to formally label it as economic nationalism.¹⁰⁵⁷ As noted in previous chapters, recent scholarship has also found a strong resemblance between the works of the German Historical School, List's *National System of Political Economy*, Giuseppe Mazzini (an Italian politician), Otto von Bismarck (a Prussian statesman), and Indian Economics.¹⁰⁵⁸ This thesis has also found similarities between List's and the idea of development in Indian Economics.

The context of Indian Economics was, however, the local site of an imperial economy. As scholars such as Young, Luke and Bhabha explain, imperialism makes imperial subjects both

¹⁰⁵⁵ List, *National System of Political Economy*; Eric Helleiner, "Economic Nationalism as a Challenge to Economic Liberalism? Lessons from the 19th Century," *International Studies Quarterly* 46, no. 3 (2002): 307–29; Helleiner, "Globalising the Classical Foundations of IPE Thought."

¹⁰⁵⁶ See e.g. Reinert, Ghosh, and Kattel, *Handbook of Alternative Theories of Economic Development*, 213.

¹⁰⁵⁷ Chandra, *The Rise and Growth of Economic Nationalism in India*.

¹⁰⁵⁸ Chatterjee, *The Nation and Its Fragments: Colonial and Postcolonial Histories*; Goswami, *Producing India: From Colonial Economy to National Space*; Gopalakrishnan, *Development of Economic Ideas in India, 1880-1914*; Vir Bahadur Singh, *From Naoroji to Nehru: Six Essays in Indian Economic Thought* (New Delhi: Macmillan and Company of India, 1975); Ganguli, *Indian Economic Thought: Nineteenth Century Perspectives*.

Other non-European and non-Indian intellectuals also adopted and remade Nationalist Political Economy – e.g. Brazilian industrialists and politicians such as Amaro Cavalcanti and Serzedelo Correia, the Meiji government in Japan, Egypt's Mohammed Ali decided to promote their domestic industries as he observed how Holland and England had prospered through promoting industry, and West Africa (Helleiner, "Globalising the Classical Foundations of IPE Thought," 976, 987–88.).

invisible and different, rendering Indians simultaneously absent and present.¹⁰⁵⁹ Seen from within this context, it seems obvious why Indian Economics chose the latter in their discourse: to make India present Indian Economics demonstrated India's difference. I have analysed the nationalist perspective in Indian Economics within its relevant context, allowing me to interpret the discursive practices differently. Indian Economics discourse persuaded imperial rulers to concentrate on the presence of India and Indians by advocating for a distinct economic thinking – especially present in Ranade's, Iyer's and Joshi's writings. Indians exist, yet they are different.

Nationalism in the imperial context is counterhegemonic.¹⁰⁶⁰ From 1870 to 1905, Indian Economics was a marginal discourse attempting to educate India's foreign rulers to implement a development plan that would harness much needed progress. Indian Economics' idea of development was both nationalist in that its content was about India and universalist in that it identified certain universal criteria that brought about societal change. As Helleiner argues, economic nationalism is an ideology that is defined by its nationalist content, rather than a form of realism or protectionism, and can be related to several different institutional frameworks, including liberal economic policies more commonly associated with universalist economic thinking – e.g. Classical Political Economy.¹⁰⁶¹

There is a poignant example in the primary material. To explain Indian Economics' balanced growth argument, Ranade cited Smith and List, while Dutt only cited List. Smith is generally considered a Classical Political Economist whose perspective on progress is quite different from that of List's. Again, it is generally viewed that these represent two distinct approaches to economics and political economy. Either the economy is analysed through different stages of historical development, e.g. Smith identifies stages of agriculture and commerce most often associated with Classical Political Economy, or the system is analysed from a nationalist perspective such as List did, which brings out the specificities of individual economies in a given period.¹⁰⁶² My identification of the intra- and inter-textual contexts show that Indian Economics was merging nationalism and universalist views on development.

The so-called nationalist approach was not constructed in a vacuum. The addressivity and multidiscursive nature of meaning making constrain discursive practices within certain

¹⁰⁵⁹ Young, *White Mythologies: Writing History and the West*; Luke, "Text and Discourse in Education: An Introduction to Critical Discourse Analysis," 38; Bhabha, *Nation and Narration*.

¹⁰⁶⁰ As, for example, Goswami labels it (Goswami, *Producing India: From Colonial Economy to National Space*, 219.).

¹⁰⁶¹ Helleiner, "Economic Nationalism as a Challenge to Economic Liberalism? Lessons from the 19th Century," 308, see also 307.

¹⁰⁶² Reinert, Ghosh, and Kattel, *Handbook of Alternative Theories of Economic Development*, 213.

limits. Both List and Indian Economics were addressing followers or advocates of Classical Political Economy and universalism. List and the Indian Economists needed to use the same discursive practices to increase their chances of being listened to, understood and of actually persuading other interlocutors to re-think and re-articulate the dominant discourse. As Bakhtin theorised, meaning is created through dialog (whether verbally or between texts), leading to traces of existing theories, even if criticised, in the newer discourses. As a result, it is far from straight forward to distinguish between different schools of thought, speech genres and views on development. Universalism – a stagist theory of progress and development – is not necessarily incompatible with a nationalist approach.

Recent scholarship has found similar multidiscursive tendencies even in the widely disseminated texts of List. For example, List's economic thinking is found to be more similar to classical liberal ideas associated with Classical Political Economy and particularly Smith.¹⁰⁶³ Matthew Watson finds industrialisation and an emphasis on a manufacturing sector in Classical Political Economy, as well as in the schools criticising Classical Political Economy like American Political Economy, the German Historical School, List, and, as I demonstrate, Indian Economics.¹⁰⁶⁴ Watson also points out that List was in favour of free trade between advanced countries, and that Smith also endorsed structures of protection, something List seems to overlook.¹⁰⁶⁵ Watson concludes that the misreading of Smith in List's work can be traced back to Dugald Stewart, John Ramsay McCulloch, Georg Sartorius and the Earl of Lauderdale's readings of Smith. Interestingly, Ranade cited McCulloch.¹⁰⁶⁶

List, like many other scholars to follow Classical Political Economy, were reacting to, for example, Smith's dominant theories. The discursive resources available were pre-established before List's national system and even longer before Indian Economics. There is a canonisation of ideas and discursive practices. Canonisation

*is the mechanism through which classic status is ascribed to a text, but then the meaning of the text is increasingly simplified in the interests of producing an easy-to-grasp reading of its allegedly core claims.*¹⁰⁶⁷

¹⁰⁶³ Watson, "Friedrich List's Adam Smith Historiography and the Contested Origins of Development Theory," 463–64; Christine Margerum Harlen, "A Reappraisal of Classical Economic Nationalism and Economic Liberalism," *International Issues Quarterly* 43, no. 4 (December 1, 1999): 733–44.

¹⁰⁶⁴ Watson, "Friedrich List's Adam Smith Historiography and the Contested Origins of Development Theory."

¹⁰⁶⁵ Jacob Viner, "Adam Smith and Laissez Faire," *Journal of Political Economy* 35, no. 2 (1927): 198–232.

¹⁰⁶⁶ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 8–9.

¹⁰⁶⁷ Vivienne Brown, "Metanarratives and Economic Discourse," *The Scandinavian Journal of Economics* 96, no. 1 (1994): 84.

Unfortunately, simplification entails distortion.¹⁰⁶⁸ Helleiner, much like Watson, finds a misreading of List's work.¹⁰⁶⁹ Nationalism, in List, is not only about policies. Economic nationalism is a nationalist ontology, rather than prescriptive policies such as tariffs. Yet, much of the traditional literature has missed the nationalist ontology and defined economic nationalism in terms of non-liberal policies.¹⁰⁷⁰

Economic nationalism was used widely in the 20th century, yet its meaning was often unclear and/or poorly articulated. The term was often employed by its opponents where liberal economists would label policies they disliked nationalist.¹⁰⁷¹ By the late 20th century, economic nationalism had become synonymous with "state-centric realism,"¹⁰⁷² which ties it to the mercantilist doctrines of the 17th and 19th centuries, and neither List's nor Indian Economics' definition of economic nationalism. The state-centric definition misses the nationalism and concentrates only on the state.¹⁰⁷³ Economic nationalism is not like mercantilism: mercantilism is statist, while economic nationalism focuses on the role of national identities and nationalism in shaping economic policy.¹⁰⁷⁴ Interlocutors can be identified as nationalist, therefore, without having to impose certain economic policies. Policies need to be examined separately – economists can be pro-free trade and nationalist, as Naoroji was.¹⁰⁷⁵ Economic policy prescriptions simply change to fit the new economic landscape such as globalisation along a nationalist agenda to increase power, prestige and wealth.¹⁰⁷⁶

¹⁰⁶⁸ William Tabb, *Reconstructing Political Economy: The Great Divide in Economic Thought*, vol. 2 (London and New York: Routledge, 1999).

¹⁰⁶⁹ Helleiner, "Economic Nationalism as a Challenge to Economic Liberalism? Lessons from the 19th Century."

¹⁰⁷⁰ *Ibid.*, 235.

¹⁰⁷¹ Michael A. Heilperin, *Studies in Economic Nationalism* (Geneva: Publications de l'Institut universitaire de hautes études internationales, 1960), 17; Helleiner, "Economic Nationalism as a Challenge to Economic Liberalism? Lessons from the 19th Century," 308; Jan Koffman, "How to Define Economic Nationalism? A Critical Review of Some Old and New Standpoints," in *Economic Nationalism in East-Central Europe and South America*, ed. Henryk Szlajfer (Geneva: Centre of International Economic History, 1990), 17–55.

¹⁰⁷² Robert Gilpin, *Global Political Economy: Understanding the International Economic Order* (Princeton, New Jersey: Princeton University Press, 2001), 14, see also 31.

¹⁰⁷³ George T. Crane, "Economic Nationalism: Bringing the Nation Back In," *Millennium* 27, no. 1 (1998): 55; Rawi Abdelal, *National Purpose in the World Economy: Post-Soviet States in Comparative Perspective* (Ithaca: Cornell University Press, 2001), 19.

¹⁰⁷⁴ Stephen Shulman, "Nationalist Sources of International Economic Integration," *International Studies Quarterly* 44, no. 3 (2000): 366–68; Abdelal, *National Purpose in the World Economy: Post-Soviet States in Comparative Perspective*.

¹⁰⁷⁵ For another example, see Shulman, "Nationalist Sources of International Economic Integration," 366–68.).

¹⁰⁷⁶ Shulman, "Nationalist Sources of International Economic Integration"; Crane, "Economic Nationalism: Bringing the Nation Back In"; Andreas Pickel, "Explaining, and Explaining with, Economic Nationalism," *Nations and Nationalism* 9, no. 1 (2003): 105–27.

Ranade declared the role of the state similarly:

*The function of the State is to help those influences which tend to secure National Progress through the several stages of growth, and adopt Free Trade or Protection as circumstances may require. In this view Free Trade may be good for a Country like England, but not for America and Germany.*¹⁰⁷⁷

Context dictates policy prescriptions. Naoroji's, and Indian Economics', goal was to improve the "material and moral condition of India,"¹⁰⁷⁸ because a government should always implement measures that increase the wellbeing of its people.¹⁰⁷⁹ Dutt's emphasis on self-sufficiency, national insurance and rural development reflected the priority on the people. In case of disaster (whether a famine or invasion), India needed the capacity to supply its immediate needs – e.g. sufficient food supply to feed the Indian population. Finally, Ranade's emphasis on social and religious reform, including caste and marriage reform, reflects a focus on the local and specific conditions in India.

The focus on context in Indian Economics fits into its use of List. In the preface to List's *National System of Political Economy*, List is cited to have said that he did not need to bring any of his books with him to America, because

*Nowhere are modes of communication for trade and travel, and their influence on the moral and material life of the people, better appreciated. That book I have read earnestly and assiduously, and lessons drawn from it I have tried to compare and arrange with the results of my previous studies, experience, and reflections.*¹⁰⁸⁰

The world was best understood, according to List, by the farmers and people, not by some learned cosmopolitans. Similarly, the first English translator, G.A. Matile, of List's book asserted that List's theory was "at least not founded upon a vague cosmopolitanism, but on the nature of things, upon the lessons of history and the wants of nations."¹⁰⁸¹ Matile claimed that List's "system offers a mode of reconciling theory with practices."¹⁰⁸² Like List, Indian Economics attempted to explain India's societal change and find an appropriate development plan by reconciling the European theories taught to them, and the local, specific and nationalist practices present in India.

However, many intellectuals, including the Indian Economists, did not follow List's theories exactly. Helleiner identifies three different strands of economic nationalism in the 19th

¹⁰⁷⁷ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 20.

¹⁰⁷⁸ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 502.

¹⁰⁷⁹ Naoroji, *Poverty and Un-British Rule in India*, 286.

¹⁰⁸⁰ Quoted in List, *National System of Political Economy*, xii.

¹⁰⁸¹ Ibid.

¹⁰⁸² Ibid.

century: macroeconomic activism, autarchic economic nationalism, and liberal economic nationalism. The first strand, macroeconomic activism explains Thomas Attwood's, Carey's and Isaac Buchanan's critique of the gold standard. They argued for an inconvertible currency and against the gold standard because the government should be able to control the money supply according to the national interests.¹⁰⁸³ In contrast to Classical Political Economy, they thought that unemployment or low national income could come from monetary issues because some prices did not adjust markets, as liberalists theorised.

The second strand, autarchic economic nationalism, included Johann Fichte and Muller. Whereas List advocated for national competitiveness on the global market, Fichte advocated for self-sufficiency.¹⁰⁸⁴ Free trade was never a good policy because the competition produced by such a policy would encourage global rivalries. The international flow of ideas was still promoted.¹⁰⁸⁵ In contrast, Muller argued that free trade would make citizens think of themselves as citizens of the world, and not the nation, which would undermine their national unity. A human was a citizen for Muller, while it was an individual to Smith.¹⁰⁸⁶ Muller proposed an inconvertible national paper currency, because it would build links between citizens – coins were too cosmopolitan.¹⁰⁸⁷ Muller's major contribution was how a nation could build a national identity. Both the idea of self-sufficiency and building a national identity is similar to Indian Economics' development thinking. Naoroji and Ranade also seem to have read Muller based on the fact that they cite his work.¹⁰⁸⁸

The third strand is liberal economic nationalism, which, according to Helleiner, has been neglected. Indian Economics also adhere this strand. List and the Indian Economists realised that Britain were implementing free trade when it was advantageous for their nation.¹⁰⁸⁹ List's biggest critique of liberalism was not the tariffs – J.S. Mill also advocated for them as List and

¹⁰⁸³ Helleiner, "Economic Nationalism as a Challenge to Economic Liberalism? Lessons from the 19th Century," 314–16.

¹⁰⁸⁴ Johann Gottlieb Fichte, *Der Geschlossene Handelsstaat: Ein Philosophischer Entwurf Als Anhang Zur Rechtslehre Und Probe Einer Künftig Zu Liefernden Politik* (Tübingen: Cotta, 1800); Carlton Hayes, *The Historical Evolution Of Modern Nationalism* (New York: The Macmillan Company, 1931), 265.

¹⁰⁸⁵ Helleiner, "Economic Nationalism as a Challenge to Economic Liberalism? Lessons from the 19th Century," footnote 10, 317.

¹⁰⁸⁶ *Ibid.*, 318.

¹⁰⁸⁷ *Ibid.*, 319.

¹⁰⁸⁸ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:288; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 20.

¹⁰⁸⁹ Helleiner, "Economic Nationalism as a Challenge to Economic Liberalism? Lessons from the 19th Century," 320.

the Indian Economists pointed out – it was rather that the Classical Political Economy concentrated on the individual and humanity as a whole.

The configuration of economic nationalism in Indian Economics includes two elements: development should be collective and equal and the long-run goal is a universal society of free trade. First, the nation should be prioritised over any individual. It was important to implement a development plan that catered to the wellbeing of the collective and minimised inequality. For example, Ranade cited Sismondi to explain the role of the state:

*the State was not merely an agency for keeping peace, but that it was an organization for securing the progress of the people as widely as possible, and for extending the benefits of the Social Union to all.*¹⁰⁹⁰

The need for a strong central order with a balanced and united power¹⁰⁹¹ was paramount in India because there were centrifugal tendencies¹⁰⁹² and “separatist elements”¹⁰⁹³ that damaged the prospects for development. The centrifugal tendencies that created disunity should be counterbalanced by a centripetal force – the state and a nationalist centred development plan. Ranade saw a “common interest in co-operating together for the common good” and was able to demonstrate that by holding meetings with numerous interest groups.¹⁰⁹⁴ Unification and cooperation, as seen in chapter 4, was a key component of development because it brought about collective and equally distributed wellbeing.

Indian Economics advocated for a collective development outlook because there were instances when the collective capacity of the state was more effective than the capacity of individuals.¹⁰⁹⁵ Examples include the judicial system, education, sanitation, factory legislation, postal service, subsidies for railways and commercial development. There were two central doctrines to Indian Economics’ theory of state intervention: firstly, the state had a right to interfere, and secondly, communal welfare was more important than industrial interest. Accordingly, Indian Economics advocated for direct, deliberate and systematic promotion of balanced growth – as seen in chapter 4.

Indian Economics had a nationalistic view of development that concerned itself with the general welfare of society. For instance, Ranade attempted to represent all classes of Indian society, arguing for an “equitable system of taxation” that would charge those who could afford

¹⁰⁹⁰ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 18.

¹⁰⁹¹ Ranade, *Rise of the Maratha Power*, 58, 62, 93, 95–96.

¹⁰⁹² Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 24, 29, 58.

¹⁰⁹³ *Ibid.*, 92.

¹⁰⁹⁴ *Ibid.*, 194.

¹⁰⁹⁵ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 103–4.

the tax burden – e.g. Ranade advocated for a decrease in land and salt taxes, which disproportionately burdened the poorer classes.¹⁰⁹⁶ Ranade and Dutt promoted rapid industrialisation to be realised through protection, because industrial growth would bring about higher wages due to increased demand for manufactured goods leading to a more equitable distribution of income.

In order to justify state intervention both Ranade and Iyer suggested a theory of collective welfare. The basis of economic theory should not be the individual agent, but the “body politic” or the entire society’s political and economic structure of which that agent was a member.¹⁰⁹⁷ Economists, Ranade argued, should not focus on the agent’s interests but the collective defence, wellbeing, social education and discipline, and the agents’ duties. The shift of focus would prevent the use of utopian economic theory associated with Classical Political Economy.¹⁰⁹⁸ Additionally, Iyer criticised Smith for ignoring the fact that man cultivates sympathy with his neighbours, nation and humanity, much like the German Historical School and List.¹⁰⁹⁹

However, Indian Economics was not socialist. For instance, Joshi explicitly wrote in 1890 that his policy plan was not socialistic.¹¹⁰⁰ Indian Economics simply saw the need for state intervention to transition India from a backward agrarian economy to industrial capitalism. The state’s role in industrialisation was temporary and limited in preparing entrepreneurs to become independent. The state should be restricted to a certain scope and time frame, as Ranade and Joshi believed state actions would crowd out private enterprises if not kept in check.¹¹⁰¹ However, Joshi and Ranade disagreed on the limits of intervention. Ranade saw no theoretical limits with state intervention and said instead that the national needs were the only criteria worth considering. Joshi, on the other hand, believed that the intervention should be restricted in order to avoid state action overtaking private and, as a result, suppressing it.¹¹⁰² Finally, the

¹⁰⁹⁶ Ibid., 749.

¹⁰⁹⁷ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 21.

¹⁰⁹⁸ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 21.

¹⁰⁹⁹ Iyer, *Some Economic Aspects of British Rule in India*, 130–31. Note that it could be argued that Iyer misread Smith.

¹¹⁰⁰ Joshi, *Writings and Speeches of G.V. Joshi*, 819. See also Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 89–90, 169, 190, 193–94.

¹¹⁰¹ E.g. In the report of the *Finance Committee* (1886, 407), Ranade objected to the removal of restrictions on jail manufacturers as it undermined private competition and crowded out private manufacturing.

¹¹⁰² Joshi, *Writings and Speeches of G.V. Joshi*; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*.

Indian Economists were also against the state monopoly of land and wished for it to be privatised so that the landlords did not have to pay extortionate government rents.¹¹⁰³

Indian Economics' non-socialist stance does not conflict with Indian Economics' theoretical view that society's wellbeing and collective welfare should be the focus of economic analysis. Iyer's and Ranade's theory of collective wellbeing stems from the idea that free trade may be beneficial to the individual agent, but not to the society as whole.¹¹⁰⁴ Their emphasis on wellbeing relates to economic analysis and not to state intervention. Chandra asserts that "this notion of subjecting economic thinking and policy to socially, integrated goals perhaps forms the specific core of what is known as Indian economics."¹¹⁰⁵ In sum, collective national wellbeing was a priority in Indian Economics' idea of development.

The second element of Indian Economics' economic nationalism was the long run liberal perspective. As seen in chapter 4, it was important that state intervention was considered as "crutches to teach the Nation to walk, and that they should be thrown away when the necessary advance had been made" – something the Mercantilists, according to Ranade, had wrongfully rejected.¹¹⁰⁶ Abuses of state intervention should be avoided by removing the intervention when it was no longer needed – e.g. when a nascent industry had become competitive enough to compete on the international market. Ranade theorised that monopolies – e.g. the several European East Indian Companies – had triggered scholars such as Hobbes and Locke to criticise Mercantilists and conceptualise an idea of natural liberty. Natural liberty was destructive for nations still developing such as India, because, according to Ranade, natural liberty assumed that any state intervention into the market was regressive.¹¹⁰⁷ Indian Economics saw the need for *temporary* state intervention that would harness progress until it was no longer needed.

Indian Economics' long-run goal of global free trade is similar to List's ideal to harness national growth in order to "prepare it for admission into the universal society of the future."¹¹⁰⁸ The universal society of the future included free trade among all industrialised nations of the West. Ricardo's trade theory also aimed to maximise the world's economic efficiency for the better of mankind through free trade. J. Mill saw free trade as a way to keep peace and spread

¹¹⁰³ Chandra, *The Rise and Growth of Economic Nationalism in India*, 721.

¹¹⁰⁴ Iyer, *Some Economic Aspects of British Rule in India*; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*.

¹¹⁰⁵ Chandra, *The Rise and Growth of Economic Nationalism in India*, 732.

¹¹⁰⁶ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 15.

¹¹⁰⁷ *Ibid.*, 15–16.

¹¹⁰⁸ List, *National System of Political Economy*, 142.

civilisation, ensuring a peaceful cosmopolitan global society.¹¹⁰⁹ List and Indian Economics did not, however, advocate free trade in the short-term, as Ricardo and J. Mill did. The difference between the Classical Political Economists (who are also generally labelled liberals and are seen as universalists) and Indian Economics is *when* the universal society of free trade and industrialisation should and would be realised.

I have shown above that Indian Economics was able to reconcile nationalism and universalism through a vision of development that should foster national collective and equally distributed wellbeing and, in the long-run, a universal society of free trade and industrialisation. The analysis shows that a nuanced account of the differences between various interlocutors can uncover discursive innovation and potentially useful new ways of viewing development. The next section shall explain how Indian Economics was able to redefine universal development from and at the margins of 19th century development discourse.

Towards a Universal Idea of Development

Indian Economics successfully reconfigured universal development in three steps. First, Indian Economics justified India's ability to advance to a higher level of progress by rejecting the dominant version of global that progress had originated in Europe and would then spread to the rest of the world. Indian Economics' reading of history showed how India had been progressive in the past and could therefore return to its former prosperity. By re-writing Indian history and declaring India capable of progress, Indian Economics could therefore use European theories such as List's and Ricardo's that had been assumed inapplicable to India – e.g. List argued that India could not industrialise, and Ricardo's comparative advantage theory prescribed that it should not. Indian Economics' re-reading of global history also proved and legitimatised potential Indian progress (see step one below).

Second, Indian Economics' re-reading of global history enabled its members to conceptualise the Indian economy as a dependent imperial economy by uncovering the intentional and disguised extractive nature of imperial policy. I argue that the theorisation in Indian Economics was a frontrunner to 20th century dependency theories. The extractive imperial policy is most commonly known as the drain, and the rather unexplored disguised nature of imperial policy is what I label *resource drain disguised as development* (i.e. the

¹¹⁰⁹ Helleiner, "Economic Nationalism as a Challenge to Economic Liberalism? Lessons from the 19th Century," 313.

British promise to bring progress to India – the justification for imperialism – was mere rhetoric and not implemented in action) (see step two below).

Third, the first two steps enabled Indian Economics to reconstruct a universal idea of development. Indian Economics theorised that global industrialisation would bring greater growth to all countries thanks to increased potential for capital accumulation (leading to more investment and production) and greater aggregate demand (due to higher employment in newly industrialised countries). Previous theories associated with Classical Political Economy such as Ricardo and Smith were Eurocentric, justifying a zero-sum game worldview that enriched Europe while impoverishing the rest of the world. Even though List uncovered Ricardo's and Smith's bias, he dismissed the possibility of Asian progress. Indian Economics was able to envisage a more global and universal idea of development that incorporated both List's theory according to which there are different paths to industrialisation depending on the national context (e.g. the need for infant industry protection) and a win-win trade framework where all countries would prosper from industrialisation, as opposed to losing out due to competition in a zero-sum framework (see step three below).

Step One: Indian Economics' denaturalisation of the dominant version of global history

Britain and Europe were and are considered to have been the first to harness unprecedented amounts of progress (also labelled modernity, enlightenment or capitalism). The progress had made them more advanced, relative to the rest of the world. This discourse assumed that progress originated in Europe before spreading to the rest of the world. The imperial mission was to accelerate India along the common path of progress through investment, technology transfer, and further integration into the global market. Indian Economics, however, refuted the assumption that progress or modernisation had originated in Europe. Indian Economics was not against modernisation or the societal change and political structures and interventions that followed it. Instead, Indian Economics argued that India had been one of the richest nations in the world as a global supplier of manufacturers, at a time when Britain had been an insignificant and poor economy. Britain's superiority and India's inferiority during the late 19th century did not mean that India had not been progressive in the past. The re-reading of Indian history gave Indian Economics the discursive ability to use existing theories that were deemed inapplicable to India because of its supposed backward, regressive society.

The dominant reading of global history associated with terms like historicism, Eurocentrism and universality, assumes that modernity or progress started in Europe and will eventually spread across the world. Its assumptions include that a) Europe is the birthplace of

progress, modernity, capitalism or enlightenment making it superior to the rest, b) progress was constructed with institutions and practices destined to become universal, and c) progressive change unfolds in stages.¹¹¹⁰ As Charkrabarty argues, it was historicism that allowed Marx to argue that the “country that is more developed industrially only shows, to the less developed, the image of its own future” and enables historians such as Phyllis Deane to identify English industrial growth as the first industrial revolution.¹¹¹¹

The dominant reading of global history created a timeline that measured the assumed cultural distance (at least in institutional progress) between the West and the rest, legitimising the justification for imperialism. It was as if the British told India, and the non-West, that Asia could not yet reach the European level of progress. For example, J.S. Mill argued that Indians were not yet civilised enough to have self-rule. India had to pass through certain stages before it could become progressive – i.e. to have self-rule and be capable of industrialising. As Charkrabarty eloquently describes the discourse: India was assigned a “waiting room of history.”¹¹¹² All countries would reach the same end point, but some would get there earlier than others.

Indian Economics realised that the dominant version of global history clouded their understanding of history. Western superiority ignored Eastern agency and did not take into account the role that the East played in constructing the West.¹¹¹³ Indian Economics was the first to gain traction with their alternative version of global history. As seen in chapter 3, Indian Economics rejected the dominant idea that Europe continuously progressed like the inevitability of a human growing – countries could also regress. Countries could go through both regressive and progressive periods, meaning that countries could fall in and out of a role of economic supremacy or superiority. Indian Economics did not reject universal development nor the existence of stages of progress, but rather the thinking critiqued the order or sequential understanding of those stages – which placed India had a lower stage and did not let it pass to a

¹¹¹⁰ Seen, for example, in the following sources: Matin, “Redeeming the Universal: Postcolonialism and the Inner Life of Eurocentrism,” 354; Adam Ferguson, *Ferguson: An Essay on the History of Civil Society*, ed. Fania Oz-Salzberger (Cambridge: Cambridge University Press, 1995); Fukuyama, *The End of History and the Last Man*; Mill, *The History of British India*; Walt Whitman Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (New York: Cambridge University Press, 1960).

¹¹¹¹ Phyllis M. Deane, *The First Industrial Revolution* (Cambridge: Cambridge University Press, 1979). Quoted from Charkrabarty, *Provincializing Europe*, 7.

¹¹¹² Charkrabarty, *Provincializing Europe*, 8.

¹¹¹³ Hobson, “The Eastern Origins of Western Civilisation”; Kumkum Chatterjee and Clement Hawes, eds., *Europe Observed: Multiple Gazes in Early Modern Encounters* (Lewisburg: Bucknell University Press, 2008).

higher level. Indian Economics claimed that India had a progressive past and could therefore skip the adolescent stage and transition to the adult stage of industrialisation.

At this point, it is important to acknowledge that describing a progressive past was and is a vital part of nationalism movements throughout history the world over. To some extent the Indian Economists, as active members of the nationalist movement, were using the discourse of a glorious past as a tool to unite Indians and fight against imperial rule. Yet, as I will argue below that the nationalist use or reasoning is only one interpretation of Indian Economics' re-reading of global history. As Sabyasachi Bhattacharya has documented the Indians started talking back to the monologue of British discourse on Indian history at the end of the 19th century.¹¹¹⁴

In fact, recent literature outside of the nationalist movement agrees with Indian Economics' re-reading of global history. The idea that Britain was ahead of the rest even before the industrial revolution ignores India's and China's previous progress. The Indian and Chinese economies were superior to many others up until the end of the 18th century. For instance, England was importing Indian textiles in return for gold and silver looted from America. Also, the Enlightenment is said to have started in Europe, but the 16th century Indian emperor, Akbar, spoke of tolerance, rights for women and universal religion called *sulah kul* etc. (during the same period Prince Philip II of Spain was part of the Spanish inquests).¹¹¹⁵ I would argue then that history is more complicated than the dominant reading of global history portrays. It is too simplistic, and probably incorrect, to affirm that progress and modernity started in Europe. Other areas, including India, had a progressive past that contradicted the commonly accepted view that Europeans were the first to create and experience progress.

The Indian version of global history then enabled Indian Economics to effectively assimilate theories from Europe, despite their explicitly stated inapplicability to Asia. For instance, List denied the possibility of Asian progress: "Hence the entire dissolution of the Asiatic nationalities appears to be inevitable."¹¹¹⁶ Theorists like List who came from Germany, a country that was industrialising after Britain, argued that their countries should and could also industrialise like Britain. Yet, List rejected the idea that Asia was also capable of being late

¹¹¹⁴ Sabyasachi Bhattacharya, *Talking Back: The Idea of Civilization in the India Nationalist Discourse* (New Delhi: Oxford University Press, 2011).

¹¹¹⁵ Mukherjee, "Empire: How Colonial India Made Modern Britain"; Hobson, "The Eastern Origins of Western Civilisation"; Chatterjee and Hawes, *Europe Observed: Multiple Gazes in Early Modern Encounters*; Amin, *Eurocentrism*.

¹¹¹⁶ List, *National System of Political Economy*, 419, see also 126-127.

industrialisers.¹¹¹⁷ Another example includes A.O. Hume who argued that the British were imposing change onto the Indians, without understanding their philosophy and expecting rapid change impossible in such a short amount of time. India would have to wait in order to achieve the same level of progress as Britain.¹¹¹⁸ The Indian Economists disagreed, because their new reading of global history showed that India was not undeveloped and thus capable of progressing like Europe. They could therefore use theories like List's to show that India could progress.

Step Two: Indian Economics' concept of a dependent imperial economy

The Indian Economists understood that British supremacy caused the drain of Indian resources, making a regressive India dependent on foreign capital, industrial goods and public administration skills from advanced countries. For instance, Ranade realised that Britain and India were unequal: it was "a struggle between a Giant and a Dwarf."¹¹¹⁹ He needed to understand these unequal power relations, which the British took advantage of, to create better policy prescriptions.¹¹²⁰ Dutt, similarly, asserted that India was dependent on England.¹¹²¹ In a letter exchange between Naoroji and Wacha, they discussed how the "Government forg[ed] stronger chains for us."¹¹²² Indian Economics' theory of dependent imperial economy uncovered the extractive nature of British imperial policy and its detrimental effects on Indian progress.

Naoroji famously described imperial policies as un-British.¹¹²³ It was un-British for two reasons. First, British policies at home and in India were not the same – the policies were progressive at home and regressive in India: "In connection with India generally, the Englishmen (with some noble exceptions) deteriorates from a lover of liberty to a lover of despotism, with the slightest regard as to how the Indians are affected and bled."¹¹²⁴ Second, British imperial discourse described imperial policies as progressive when they in fact were regressive. The regressive imperial policies were discussed in chapter 3. Here I shall examine

¹¹¹⁷ Helleiner, "Globalising the Classical Foundations of IPE Thought," 992; Boianovsky, "Friedrich List and the Economic Fate of Tropical Countries," 658–62.

¹¹¹⁸ Hume to Northbrook, 1 August 1872, Northbrook Papers, MSS, Eur. C. 144 (13). See also Anil Seal, *The Emergence of Indian Nationalism: Competition and Collaboration in the Later Nineteenth Century* (Cambridge: Cambridge University Press, 1968), 269.

¹¹¹⁹ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 107.

¹¹²⁰ Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 105.

¹¹²¹ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:333.

¹¹²² Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:43.

¹¹²³ Naoroji, *Poverty and Un-British Rule in India*.

¹¹²⁴ *Ibid.*, 456.

how the imperial policies were un-British because the policies did not align with the British imperial discourse on said policies. I shall show that Indian Economics exposed the hypocrisy in imperial discourse by realising that the imperial plan was actually to drain resources and disguise it as development. The hypocrisy and Indian Economics' theory of dependent imperial economy can be seen as a precursor to 20th century dependency theory, to which I shall now turn.

Dependency theory, as it is known today, emerged in the mid-20th century with Raul Prebisch and Hans Singer. Prebisch argued that integrating periphery countries (primarily current or former colonies) into the world market made them poorer due to the dependent nature of these weaker economies in the current global, political and economic framework (e.g. British forced free trade onto India).¹¹²⁵ Likewise, Indian Economics maintained that India was becoming more impoverished while Britain became richer.

20th century dependency theory was a response to modernisation theory and the dominant idea of development according to which societies progress through similar stages. The Singer-Prebisch thesis, one of the main models in dependency theory, rejects this view and instead argues that periphery countries are not just primitive versions of the core (more advanced) countries because they have their own unique structures and history. Again, Indian Economics made similar arguments. India was not simply at a lower stage of progress but had previously been at a higher level of progress – see chapter 3. Indian Economics pre-empted dependency theory by conceptualising a dependent imperial economy and a discourse of *resource drain disguised as development*.

Indian Economics' conceptualisation of a dependent imperial economy has been documented in the secondary literature.¹¹²⁶ I shall add here that the concept of dependent imperial economy includes dependency in two directions. First, Indian Economics formulated the idea that Britain owed India. Naoroji's drain theory uncovered how Britain took Indian resources for its own gain and ultimate loss for India. Naoroji claimed that Britain owed India, not the other way around. Britain's progress was therefore *dependent* on Indian resources. The second direction of dependency explained how India's dominantly agricultural economy made it dependent on British (and other trading partners') industrial sectors' demand for its raw material output – see chapters 3 and 4 for an analysis of the drain theory.

¹¹²⁵ Raul Prebisch, *The Economic Development of Latin America and Its Principal* (New York: United Nations, 1950); Hans Wolf Singer, "The Distribution of Gains between Investing and Borrowing Countries," *The Journal of Development Studies* 11, no. 4 (1975): 376–82.

¹¹²⁶ e.g. Goswami, *Producing India: From Colonial Economy to National Space*.

What is less discussed in the secondary literature is how Indian Economics uncovered the hypocrisy of imperial discourse or, more precisely, the civilising mission. The civilising mission discourse was discussed at length in chapter 2. My aim here is to establish why and how Indian Economics uncovered the hypocrisy of the civilising mission. In the 1870s, the Indian Economists generally thought that if the imperial officials properly understood India, it could and would implement progressive policies. Their principle goal, as a result, was to educate the British about India's actual socio-economic climate. "Our great misfortune is that you do not know our wants. When you will know our real wishes, I have not the least doubt that you would do justice."¹¹²⁷ By the turn of the century, however, the Indian Economists had changed their perspective on British imperial actions and intentions. The Indian Economists had understood that there were both advantages to British rule such as education, organised administration and peace and disadvantages, primarily in the form of growing poverty.¹¹²⁸

It is important to nuance the shift here. The Indian Economists found it difficult to reconcile their gratitude towards the British and their growing concern that imperial policies were deliberately regressing India. Gokhale pinpointed a fundamental conflict in a passage found in a pamphlet about Ranade's life that is not often directly discussed – the challenge of reconciling the conflict between what was due to India's foreign rulers and India's needs. Gokhale observed that Ranade was consequently self-reflective and practised self-control.¹¹²⁹

By the turn of the century the Indian Economists, as well as other Indian leaders, had realised that the imperial leaders refused to reduce the drain – even when Indians were starving to death.¹¹³⁰ The analysis of India's economy had led Indian Economics to understand that imperial policies were regressive rather than progressive and had exposed the deception of imperial discourse. Imperial discourse portrayed the administration's policies as progressive, when in fact they were regressive.

How did Indian Economics uncover the discrepancy between imperial discourse and imperial actions? The most palpable example can be found in a passage in which a poem entitled

¹¹²⁷ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 135. See also Ibid., 112; Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 1–42; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:xxi.

¹¹²⁸ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:xvii; Dutt, *The Peasantry of Bengal*, 36.

¹¹²⁹ "London School of Economics Library Archives on Britain and South Asia (16-Non-ILP Print: Miscellaneous). Independent Labour Party Papers: ILP/16/1901. 'Mahadev Govind Ranade: His Life and Career' (Madras: G. A. Natesan and Company, Esplanade) (Pamphlet)."

¹¹³⁰ e.g. Dutt, *Indian Famines, Their Causes and Prevention*, 13.

A Voyage Round the World by J. Montgomery is cited by both Naoroji and Dutt. The citation is particularly interesting for two reasons. Firstly, the poem highlights the discrepancy between what the British claimed to be doing in India and what they actually did:

*War, disguised as commerce, came,
Britain, carrying sword and flame,
Won an empire, lost her name.*¹¹³¹

The verse suggests that the British came into India with the stated intention to conduct commerce, but with the hidden intention to wage war. I find it significant that both Naoroji and Dutt cited the verse in their works to portray the actual nature of British imperial intentions, especially because it was written by a British scholar. The first sentence is especially telling, the British discourse indicated a commercial relationship (i.e. one in which both parties would gain some benefit through the exchange of goods), yet actual British actions must have disguised their initial warlike intentions (i.e. overtaking territories from which the British could extract materials).

Dutt cited the verse in a passage where he is explaining the conditions of the Bengal *ryot* under early British or rather British East India Company rule, which is the same time period that Montgomery is referring to in his poem. Naoroji cited the verse in a passage to explain the second half of the 19th century.¹¹³² Naoroji mentioned a ‘Parsee gentlemen’ who had lived in both England and India and used the verse to explain that the views on Indians and debates around imperialism changed according to British interests. The British did not care for Indian well-being and continued to drain its resources.¹¹³³ I label Indian Economics’ exposure of British hypocrisy as *resource drain disguised as development*.

The second significance of the poem is its origins. The poem is a prime example of how texts were diffused into India from Europe, and how Indian Economics understood the need to use the same texts and categories as the British to be heard. Indian Economics are employing discursive practices and texts written by British interlocutors. In another example, Naoroji acknowledged that in using J.S. Mill’s well-known and widely accepted theory, he hoped to convince the British that the economic drain of India was regressive and should be stopped.¹¹³⁴

¹¹³¹ Dutt, *The Peasantry of Bengal*, 35. Naoroji cited the verse slightly differently: “War, disguised as Commerce, came, Won an empire, lost a name” (Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 17.). Dutt’s citation is the accurate version of the verse.

¹¹³² The verse appears in a speech read before the Ethnological Society, London, 27 March in 1866 (Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 1–25.).

¹¹³³ *Ibid.*, 16–17.

¹¹³⁴ For a similar instance, see Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*; Naoroji, *Poverty and Un-British Rule in India*.

Bakhtin's concept of addressivity and Luke's concept of multidiscursive informs the reasoning behind the appropriation of others' discursive practices.¹¹³⁵ Indian Economics were in dialogue with the British, first to persuade them to change their policies and then to convince them of India's ability to self-govern. Furthermore, the British discourse would have held a dominant position rendering it more accepted and more widely disseminated. Realise also that any critique of imperialism was often questioned, attacked and rarely accepted. Observed and experienced first by European writers – e.g. Montgomery Martin's *Eastern India* and John Shore's *Notes on Indian Affairs*. Employing discursive practises from their rulers would have helped the Indian Economists to be heard. The presence of European texts and theories in Indian Economics show that the Indian intellectuals absorbed existing discursive practices, but my analysis of various contexts shows that Indian Economics also adopted the meaning to fit the Indian context.

As seen in chapter 2, imperial justifications were primarily based on the developmental role of the advanced nation (Britain) to progress the inferior nation (India) – the civilising mission. Early 19th century imperial rule was defined on an ethical horizon which aimed to improve India through the trusteeship of the developed West, to eventually enable India to self-rule.¹¹³⁶ More recent scholarship by Wilson has uncovered the chaotic nature of the British imperial enterprise and finds little evidence to claim that the British ever had a civilising mission in India.¹¹³⁷ Nevertheless, as shown by Bayly, the civilising mission which involved establishing schools and universities who taught British theories and concepts created a generation of Indians that thought in particular ways about their own future that led to India's democracy.¹¹³⁸ Whether the civilising mission was ever a) an actual reason for the imperial interventions or b) actually exercised, Indian Economics seem to have picked up the discursive practices associated with the civilising mission as a way to show that the British were regressing India despite British discourse uttering that imperial rule would bring progress to India.

Indian Economics argued that the British were purposefully implementing an extractive policy, while labelling it developmental: "For as improvements and progress are understood to mean, at present, it is more and more bleeding by introducing more and more the foreign

¹¹³⁵ See Bakhtin, *Problems of Dostoevskys Poetics*; Bakhtin, *Speech Genres and Other Late Essays*; Bakhtin, *The Dialogic Imagination: Four Essays*; Luke, "Text and Discourse in Education: An Introduction to Critical Discourse Analysis."

¹¹³⁶ For a full discussion on the civilising mission see chapter 2.

¹¹³⁷ Wilson, *India Conquered: Britain's Raj and the Chaos of Empire*.

¹¹³⁸ Bayly, *Recovering Liberties: Indian Thought in the Age of Liberalism and Empire*; Mount, "Umbrageousness."

bleeding agency.”¹¹³⁹ India was not poor because of some inherent weaknesses, it was the imperial administration purposefully harnessing regressive forces.¹¹⁴⁰ Indian Economics’ discourse is strikingly clear in some of Naoroji’s correspondence with Wacha. Wacha wrote that the British were trying to “*retard* rather than advance our progress,” which was “done in secret.”¹¹⁴¹ Naoroji described the British discourse of a civilising, progressive imperial mission as a “plaster” that covers up the inflicted “wound” on India’s “heart.”¹¹⁴² The passage continues, “The English rulers stand sentinel at the front door of India, challenging the whole world, that they do and shall protect India against all corners, and themselves carry away by a back-door the very treasure they stand sentinel to protect.”¹¹⁴³ Dutt used a similar analogy: the “remedy which these physicians prescribe is that the patient, in order to be cured, should commit suicide.”¹¹⁴⁴ Dutt condemned the “Benevolent Despotism” which was supposed to implement progressive policies appropriate for the Indian context, but had instead regressed the subcontinent.¹¹⁴⁵ There was a consensus within Indian Economics that the regressive imperial policy was deceitful.

Indian Economics described imperial policy as childish. For instance, Naoroji utters that the British are *pretending* to be responsible for Indian governance.¹¹⁴⁶ Moreover, imperial policies were described as mischievous: e.g. imperial policy was “mischief to the national progress.”¹¹⁴⁷ In a letter to Naoroji, Hyndman used the same terminology to describe imperial policy.¹¹⁴⁸ The discourse offered an analogy of a child trying to deceitfully and mischievously cheat someone out resources. The childlike imperial policies also fit with the child stage in Indian Economics’ stadial theory seen in chapter 3.

¹¹³⁹ Naoroji, *Poverty and Un-British Rule in India*, 366., see also Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:410–11.

¹¹⁴⁰ Naoroji, *Poverty and Un-British Rule in India*, 1; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 48.

¹¹⁴¹ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:44. For more examples, see Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, 2:44–45, 72.

¹¹⁴² Naoroji, *Poverty and Un-British Rule in India*, 211–12.

¹¹⁴³ *Ibid.*, see also Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dadabhai Naoroji*, 28.

¹¹⁴⁴ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 161–62.

¹¹⁴⁵ Dutt, *Indian Famines, Their Causes and Prevention*, 15. See chapter 3 for a full discussion on India’s regressive state.

¹¹⁴⁶ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, 2:605.

¹¹⁴⁷ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:19., see also Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 4-11-1884 to 23-3-1895*, 2:740.

¹¹⁴⁸ Naoroji, *Dadabhai Naoroji: Selected Private Papers*, 282.

Indian Economics' depiction of imperial policies as childlike does, however, seem to weaken its arguments that the British were purposefully regressing India. If the imperial administration were childlike then the officials could not be blamed for their mistakes like adults could be. There could be two reasons for the use of the analogy. On the one hand, in 1870, Indian Economics generally believed that the British would be willing to progress India, if only Indian Economics could educate the British officials to implement appropriate policies. Indian Economics did not think of the British as malicious, but rather ignorant like children. On the other hand, it is also possible that Indian Economics was using a rhetorical device to soften their highly critical discourse. Indian Economics could be using the rhetorical device, antanagoge, which places a criticism and complement together to lessen the impact. Labelling the British mischievous, rather than malicious, might have played in the Indian Economists' favour when addressing the British officials.

Indian Economics gave a few examples of how imperial actions were destructive, rather than developmental, contrary to what imperial discourse promised. Firstly, Indian industrial progress was stunted by British actions. From the very start of British presence in India, the British East India Company discouraged the manufacturing of silk by India's industry, by demanding raw silk and forcing Indian weavers to work in their factories. "In their general letter to Bengal, dated 17th March 1769, the Company desired that the manufacture of raw silk should be encouraged in Bengal, and that of manufactured silk fabrics should be discouraged."¹¹⁴⁹ Indian trade and manufacturers suffered under monopoly and coercion during the control of British East India Company.¹¹⁵⁰ Between 1813 and 1835, the European "factories demanded raw produce, the people of India provided the raw produce, forgot their ancient manufacturing skill, lost the profits of manufacture."¹¹⁵¹ The same occurred post-1857.¹¹⁵² Dutt explained what had happened:

British Political professed the principles of free trade from the latter end of the eighteenth century, the British Nation declined to adopt them till they had crushed the Manufacturing Power of India, and reared their own Manufacturing Power. Then the British Nation turned free traders, and invited other nations to accept free trade principles. The other nations, including the British colonies, know better, and are now rearing their Manufacturing Power by protection. But in India the Manufacturing

¹¹⁴⁹ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:45.).

¹¹⁵⁰ Ibid., 1:44–45.

¹¹⁵¹ Ibid., 1:276.

¹¹⁵² Ibid., 1:423.

*Power of the people was stamped out by protection against her industries, and then free trade was forced on her so as to prevent a revival.*¹¹⁵³

The global trade flows subsequently shifted, making India an exporter of raw materials instead of industrial goods.¹¹⁵⁴ Furthermore, once the power-loom was adopted in India, the British put excise duties on their goods.¹¹⁵⁵

The increasing port and railway capacity also did not mitigate regressive forces in India, especially because the British had monopolised maritime and railway transport, as well as mercantile trade.¹¹⁵⁶ On the contrary, the railways increased foreign competition for India's manufacturing industry as British goods became easier to deliver throughout the sub-continent.¹¹⁵⁷

*It is possible to conceive that a Government, working with an eye to the advancement of the national industries, might have introduced these superior methods among the industrious and skilful people of India, as they have been introduced among the people of Japan within our generation. But it was hardly possible that foreign merchants and rival manufacturers, working for their profit, should have the object in view, and the endeavour was never made.*¹¹⁵⁸

According to Indian Economics, India's industries were prevented from progressing, which was contradictory to the development goal associated with imperial discourse of a civilising mission.

Secondly, the promotion of free trade led to deindustrialisation in India. Indian Economics argued that the British only promoted free trade when it was in their interest.¹¹⁵⁹ For instance, Dutt cited Ricardo, Gobden Bright, and Robert Peel who, he claimed, had clearly ignored the high tariffs placed on Indian goods exported to England in their argumentation in favour of free trade in Britain.¹¹⁶⁰ Dutt cited List to expose the hypocrisy: British imperial protectionist policies went against Smith's and Jean-Baptiste Say's theories of values.¹¹⁶¹ British

¹¹⁵³ Ibid., 1:302, see also 49.

¹¹⁵⁴ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 108.

¹¹⁵⁵ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:viii; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 43–46.

¹¹⁵⁶ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 199; Chaudhary et al., *A New Economic History of Colonial India*. India's banking sector was also under foreign control although primarily funded by native capital (Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 199.).

¹¹⁵⁷ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 93.

¹¹⁵⁸ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:289.

¹¹⁵⁹ Dutt, *Epochs of Indian History: Ancient India*, 122–25; Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 81.

¹¹⁶⁰ Similarly, Iyer (1903, 104-147) added an appendix with protectionist policy examples from Germany and America to show that economic policy was created by national needs and not by economic theories.

¹¹⁶¹ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 124.

political economists who fought against the Corn Laws ignored Indian weavers and artisans' need for food.¹¹⁶² Free trade may be progressive in certain circumstances; however, the imperial administration was only implementing free trade when it was advantageous to the British economy.

The lack of free trade in Britain was revealing. Dutt turned to List (and other continental economists), who he thought would be less biased, to help explain how free trade was not used to boost Indian industrial growth. For instance, List noticed that England did not want to become subservient to India and strove for commercial supremacy.¹¹⁶³ England consequently imposed tariff barriers on Indian imports, which List considered detrimental to Indian industry.¹¹⁶⁴ Dutt used the parts of List's theories that aligned with his context and intellectual views, showing how Indian Economics used theories stated to be inapplicable to the Indian context.

Imperial trade policy was "Not true free trade."¹¹⁶⁵ India was forced to export raw materials, which a) had less value added than their past manufactured goods (thus adding less to their national wealth) and b) were needed for domestic consumption especially during famines. A certain amount of the Bengal administrative revenues was put aside every year to purchase goods to be exported to England – i.e. the British were collecting land revenues from India to purchase Indian goods for home (British) consumption. The goods were exported to England to give an image of a flourishing, growing industrial and commercial country.¹¹⁶⁶ While in reality the exchange was far from beneficial to India. As Wacha wrote to Naoroji in 1892, "It is to be hoped some one will unmask the selfishness of Manchester."¹¹⁶⁷ On the one hand, it claimed that India should not impose tariff barriers because that was considered regressive. On the other hand, imperial action would *only* implement free trade if it advanced British industrial progress.

¹¹⁶² Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:299; Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 71.

¹¹⁶³ Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 123–24.

¹¹⁶⁴ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:300; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 123.

¹¹⁶⁵ Naoroji, *Poverty and Un-British Rule in India*, 61.

¹¹⁶⁶ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:48.

¹¹⁶⁷ Naoroji, *Dadabhai Naoroji Correspondence: Correspondence with D.E. Wacha, 30-3-1895 to 5-4-1917*, 2:306. See also Naoroji, *Poverty and Un-British Rule in India*, 199.

Finally, the imperial government was intentionally not following the rules set out by the imperial administration.¹¹⁶⁸ Naoroji wrote that “often deliberate and solemn promises are made and broken.”¹¹⁶⁹ Both Naoroji and Dutt used the same expression to denote how the British deceived India: “keeping promise to the ear and breaking it to the hope.”¹¹⁷⁰ For instance, the Queen’s proclamation of 1858 declared that Indians should be represented in the government as of 1858, yet they were excluded.¹¹⁷¹ Additionally, there were several proposals to prohibit high taxes and reassessments of land (which set the tax incidence), but they were not followed.¹¹⁷² Indian Economics exposed these three examples to show that the British were deliberately preventing progress in India.

It is useful to note that some British officials also admitted the “political hypocrisy” of imperialism – this citation being from Lord Salisbury.¹¹⁷³ Additionally, Gladstone discussed a deliberate extractive policy.¹¹⁷⁴ Recent literature further portrays the dishonest nature of imperial discourse. The ideology of imperialism was based on a strong justification that imperial settlements needed the West to progress. The strongest influence of the ideology came from the evolutionary theories of Darwin as adapted by Spencer, known as social evolutionary theory – already discussed in chapter 3. Spencer, among others, assumed racial inferiority (using variables such as skin pigmentation and other physical characteristics) to justify imperialism.¹¹⁷⁵ Yet imperial actions, as shown above, were far from benevolent, as both Indian Economics and 21st century research shows, instead imperial intentions primarily followed the rulers’ needs and interests.¹¹⁷⁶ Indian Economics exposed a dependent imperial economy and a *resource drain*

¹¹⁶⁸ Naoroji, *Poverty and Un-British Rule in India*, 90; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 28.

¹¹⁶⁹ Naoroji, *Poverty and Un-British Rule in India*, 209.

¹¹⁷⁰ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:397; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 73, 75; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 504.

¹¹⁷¹ Dutt, *Indian Famines, Their Causes and Prevention*, 14.

¹¹⁷² Ibid., 71; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 75–76.

¹¹⁷³ Cited by Naoroji, *Poverty and Un-British Rule in India*, 459.

¹¹⁷⁴ Cited by Ibid., 462.

¹¹⁷⁵ Candice Goucher, Charles Leguin, and Linda Walton, *In the Balance: Themes in Global History* (Boston: McGraw-Hill, 1998).

¹¹⁷⁶ Archibald Paton Thornton, *The Imperial Idea and Its Enemies: A Study in British Power* (London: Macmillan and Company, 1959); Goucher, Leguin, and Walton, *In the Balance: Themes in Global History*; Seal, *The Emergence of Indian Nationalism: Competition and Collaboration in the Later Nineteenth Century*; John Gallagher and Ronald Robinson, “The Imperialism of Free Trade,” *The Economic History Review* 6, no. 1 (August 1, 1953): 1–15; Wilson, *India Conquered: Britain’s Raj and the Chaos of Empire*.

disguised as development. I shall now explain how the uncovering of dependence in India enabled Indian Economics to re-imagine the global political economy of development.

Step Three: Indian Economics' conceptualisation of a win-win global development framework

Indian Economics constructed a non-zero-sum game or a win-win global framework in which all countries could industrialise at no expense to other countries' progress. The Indian context enabled Indian Economics to reflect further than the European theorists such as Smith, Ricardo and List. Indian Economics could not imagine a world without an industrialised Britain. The European theorists could, however, imagine a world without an industrialised India. India's different position in the global history of industrialisation made it possible for Indian Economics to imagine a different idea of development.

Smith and Ricardo may seem to have thought about a global framework of progress. However, the absolute and comparative models of trade advocate an international division of labour that keeps the rich countries rich and the poor countries poor. Ricardo's model envisages and ultimately forecasts the world he observed: the West as industrialised and the East as agricultural. As demonstrated by Ozay Mehmet, development theories like Ricardo's comparative advantage are Eurocentric.¹¹⁷⁷ Indian Economics also observed and forecasted a dominant industrial power in Britain. Yet, Indian Economics were able to imagine a global political economy with Britain and India as industrialised power houses. Indian Economics had wider discursive possibilities. As nationalists, the Indian Economists desired a progressive (i.e. industrialised) India, which they justified through its different reading of global history. India had previously been progressive with a large manufacturing sector, and therefore had the potential to reach the same level of industrialisation as Britain. I have found then that Indian Economics' idea of development is more universal than those associated with Smith, Ricardo, the Mills or List.

Indian Economics' universal idea of development includes three main arguments. First, the international division of labour was a regressive way to develop the global economy. Second, India was capable and should return to its former equilibrium, as a global supplier of manufactured goods. Finally, India's return to such a position in the global economy by industrialising would be beneficial to all its trade partners.

¹¹⁷⁷ Ozay Mehmet, *Westernizing the Third World: The Eurocentricity of Economic Development Theories* (London and New York: Routledge, 2002).

Ranade, most explicitly, rejected the international division of labour. I argue that delegitimising the international division of labour uncovered the Eurocentrism present in these existing models or theories of development. (Much like 20th century dependency theories, pre-empted by Indian Economics' idea of a dependent imperial economy, debunked modernisation theory – as discussed above.) As shown in chapter 3, India's reliance on agricultural output was one of the main reasons for economic stagnation. For instance, Ranade claimed that Britain had transformed India into a raw material producing country, while applying the theory of international division of labour.¹¹⁷⁸ The theory is based on the premise that countries have different natural comparative advantages – primarily preached by political economists such as Smith, Ricardo and J. Mill. Asia was considered to have a comparative advantage in agricultural production, whereas Europe had a comparative advantage in manufacturing.

Ranade uncovered the regressive consequences of the international division of labour through a comparative analysis of different imperial settlements. Ranade analysed imperial policies in British North America, Dutch Java, in today's Indonesia, and India.¹¹⁷⁹ While Ranade found that regressive Indian imperial policies had caused deindustrialisation, British North America and Dutch Java had been allowed to industrialise and hence harness progress. Ranade found that agricultural exports would not bring about necessary progress due to the diminishing returns of agricultural production, compared to increasing returns of industrial production. Moreover, a dominant agricultural sector meant that India was dependent on British, and other trading partners', demand for raw materials. In sum, India would remain regressive if India followed the international division of labour.

The Indian Economists argued that India should return to its former position as a global supplier of manufactured goods. For example, Ranade called to “restore India to its proud position as the garden and granary of the world.”¹¹⁸⁰ Naoroji urged India to be “restore[d] it to its former health.”¹¹⁸¹ Dutt asserted that India should return to its equilibrium when India was a global supplier of goods.¹¹⁸² Both Dutt and Naoroji were optimistic about India's chances – as noted in chapter 3. Dutt observed that “the circle of foreign markets is gradually contracting, the

¹¹⁷⁸ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 338, 411.

¹¹⁷⁹ Ibid.; Goswami, *Producing India: From Colonial Economy to National Space*, 211.

¹¹⁸⁰ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 176., see also Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 148.

¹¹⁸¹ Naoroji made similar statements here: Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 31.

¹¹⁸² Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:92, 202; Dutt, *England and India: A Record of Progress During a Hundred Years, 1785-1885*, 40.

competition of other nations in the old markets is increasing.”¹¹⁸³ And Naoroji maintained that “India is capable, under natural circumstances, of providing twice, three times or more the expenditure, as the improvement of the country may need, in attaining all necessary progress.”¹¹⁸⁴ India therefore could and should return to trading manufactured goods across the world.

Indian Economics argued that India’s return to a global exporter of manufactured would lead to perpetual global progress. Dutt and Naoroji claimed that the whole world, including Britain, was worse off as long as India was waiting to progress.¹¹⁸⁵ Indian aggregate demand would increase if India could restore its industrial powerhouse by lowering the drain on Indian resources and boosting investment in industry. Naoroji cited J.S. Mill to argue that foreign exchange brought progress: if India demanded more foreign goods, Britain and other nations would have even bigger trade potential.¹¹⁸⁶ The increased aggregate demand would increase demand for British (as well as other exporting nations’) goods. England’s trade, reasoned Naoroji, would increase by £250,000,000, if each member of the Indian population could buy English goods worth only £1 per year (assuming a population of 250 million).¹¹⁸⁷ The increase in exchange would boost the capacity to further invest in industrial growth thanks especially to higher levels of capital accumulation. Indian industrialisation would have beneficial outcomes to their trading partners’ progress.

Indian Economics’ idea centres on the need for sufficient domestic demand to sustain industrialisation domestically and internationally. One solution, argued Naoroji, was to employ more natives in the administration for example to boost domestic income spent and capital accumulation in India.¹¹⁸⁸ Similar to 20th dependency theorists, domestic demand had to be developed to sustain industrialisation. Naoroji theorised that India’s lack of production was primarily due to insufficient income¹¹⁸⁹ – i.e. insufficient income meant both lack of capital to invest in new production ventures and lack of domestic demand that would make the

¹¹⁸³ Quoted in Gupta, *Life And Work Of Romesh Chunder Dutt*, 143.

¹¹⁸⁴ Naoroji, *Poverty and Un-British Rule in India*, 365.

¹¹⁸⁵ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:263; Dutt, *Speeches and Papers on Indian Questions, 1897 to 1900*, 82; Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 354, 516; Naoroji, *Poverty and Un-British Rule in India*, 125, 216, 338.

¹¹⁸⁶ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 101.

¹¹⁸⁷ *Ibid.*, 329.

¹¹⁸⁸ Naoroji, *Poverty and Un-British Rule in India*, 49.

¹¹⁸⁹ Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 42–45.

investment viable and profitable. Indian Economics maintained that domestic demand could be developed through increased employment in the industrial sector, which both had a higher potential to employ larger proportions of the population and raise average income thanks to increasing returns (rather than the overcrowded and lower paying agricultural sector dictated by decreasing returns). Recent scholarship identifies the lack of demand as the major cause of why India did not industrialise. The rural state of India's economy in the late 19th century meant a low aggregate demand because peasants tended to produce enough for their subsistence needs. For instance, the imposition of British cotton products is much smaller than many think – only about 25-30% of British cotton exports in 1900 at the peak of cotton exports to India. Perhaps what was really necessary was a social revolution to restructure demand, which would not have been allowed by the imperial rule.¹¹⁹⁰

The idea that universal industrialisation would lead to perpetual progress was uttered by thinkers before and after Indian Economics. Before, List argued that it would be mutually beneficial for Britain and Germany if the German Tariff Union was introduced due to higher demand.¹¹⁹¹ As cited by Naoroji, Macaulay asserted that “to trade with civilised man is infinitely more profitable than to govern savages.”¹¹⁹² Additionally, Italian city states in the 16th century also constructed an idea of progress within a non-zero-sum game and that society could always get better.¹¹⁹³ I argue therefore that Indian Economics reinstated the idea that global progress was mutually beneficial for all parties involved. After, Sun argued that Western governments should help harness progressive forces in China through injecting foreign capital, technology and expertise into state-owned enterprises in order to also harness more progress in Western capitalist powers.¹¹⁹⁴ Like Indian Economics, Sun saw that Chinese development would create a bigger market for surplus capital and goods from the West. I argue that Indian Economics' idea of universal development should be given agency and its due credit.

The idea of universal development in Indian Economics does raise a couple of questions. There is little discussion in the writings of Indian Economics on how to boost Indian domestic demand to sustain its industrialisation. Nevertheless, as seen in chapter 4, Ranade discussed the need to develop a middle-class by incentivising production in goods catering to the middle

¹¹⁹⁰ Washbrook, “The Indian Economy and the British Empire,” 64.

¹¹⁹¹ Wendler, *Friedrich List (1789-1846): A Visionary Economist with Social Responsibility*, 16:245.

¹¹⁹² Naoroji, *Essays, Speeches, Addresses and Writings (on Indian Politics) of Hon-Ble Dababhai Naoroji*, 42–45.

¹¹⁹³ Reinert, Ghosh, and Kattel, *Handbook of Alternative Theories of Economic Development*.

¹¹⁹⁴ Yat-sen Sun, *The International Development of China* (Shanghai: Commercial Press, Ltd, 1920); Helleiner, “Globalising the Classical Foundations of IPE Thought.”

classes and not the upper classes. This, argued Ranade, would sustain industrialisation. I could also extrapolate that Dutt was theorising that if peasants had lower taxes and therefore more incentive to improve their production techniques and increase capital accumulation, they would also contribute to increased aggregate demand. Dutt was not, however, explicit about that link. The lack of discussion on domestic demand may hint to their emphasis on Indian exports as a means of development. In other words, Indian progress could be fulfilled (only) through increasing exports, while domestic demand was less essential.

Secondly, if indeed Indian industrialisation expands aggregate demand, which in turn increases demand for imports, then what impact does international competition have on progress? Indian Economics answers the question in only a couple of instances. First, there is a need for balanced growth and a diversified economy in case of turbulent international demand – as seen in chapter 4. For instance, Telang warned against a country being reduced to a single-industry country, since any change in international demand would threaten it with disaster.¹¹⁹⁵ International competition therefore necessitated a diversified economy. Second, as further exploration of how international competition would play out between industrialised nations is not present in Indian Economics, perhaps the Indian Economists assume that India would recapture its former dominant and prosperous position in the global market. And if India were to be a global supplier goods again, then they would be the most competitive. India did not *need* to concern itself with global competition once it industrialised, because it would become industrially, economically superior to most countries. I would conclude then that, on the whole, global economic competition was not thoroughly dealt with in Indian Economics' idea of development.

In sum, Indian Economics theorised a new world order in which all countries industrialise without an international division of labour – much like the Americans and Germans argued that it was good that they were industrialising because it created a bigger market for British goods. Global industrialisation would lead to exponential growth thanks to synergies and spill over effects such as increased aggregate demand and larger capital accumulation that could be invested in further progress. The global political economy was not a zero-sum game – i.e. one country's industrial exports and increase in national wealth would not diminish another country's export market and national income.

Conclusion

¹¹⁹⁵ Kashinath Trimbak Telang, *Selected Writings and Speeches*, ed. Dhanaojayarao Gadgil (Bombay: Manoranjan Press, 1916), 36–37.

Indian Economics were able to explain India's regressive state by constructing a new global history that rejected the idea that progress originated in Europe, thereby justifying India's ability to pass on to a higher level of progress. Furthermore, the idea of development in Indian Economics uncovered the drain and dependence of the Indian economy, as well as the deceitful imperial discourse that wrongfully claimed that imperialism was developing India. India was regressing not due to some inherent Indian weaknesses, but due to unnatural and un-British imperial policies. Indian Economics could then reject the international division of labour for being intrinsically regressive by bringing forward India's progressive past. Finally, Indian Economics replaced the unequal international division of labour theory with a win-win global framework in which all countries could and should industrialise.

Conclusion – Multiple Definitions of Progress and Development

*If in Politics and Social Science, time and place and circumstances, the endowments and aptitudes of men, their habits and customs, their Laws and Institutions, and their previous History, have to be taken into account, it must be strange, indeed, that in the economical aspect of our life, one set of general principles should hold good everywhere for all time and place, and for all stages of Civilization.*¹¹⁹⁶

Mahadev Govind Ranade

My analysis takes me back to where I began: Ranade's momentous and recognised lecture on Indian Economics. The lecture inaugurated Indian Economics, which aimed to critique imperial rule and find more appropriate ways of explaining Indian regress and construct more applicable policies to harness much needed progress. An increasing number of studies on the state of India's economy since the 1870s could now be seen as part of Indian Economics. The economic thinking placed emphasis on the Indian context. As noted by Ranade in the opening quote of this thesis, the dominant development discourse wrongly overlooked "Ethnical, Social, Justice, Ethical, or Economical differences in the environments."¹¹⁹⁷ "It must be strange," uttered Ranade later in the same lecture, "that in the economical aspect of our life, one set of general principles should hold good everywhere for all time and place, and for all stages of Civilization."¹¹⁹⁸ Accordingly, Ranade, along with other Indian Economists, sought to reconceptualise and redefine dominant ideas of progress and development to bring about political and socio-economic change in India.

Acknowledging that Western discourse was a requisite for Indian economic thinking in the late 19th century, or, viewing the spread of European ideas as entirely an imposition and force onto imperial societies, as Washbrook notes, "make it impossible to conceive of meaningful "dialogue" between colonialists and colonised."¹¹⁹⁹ I view development discourse as constantly diffusing, disseminating and getting picked up and transformed in specific localities, *despite* European dominance of a certain idea of development. This opens up analytical space to re-evaluate the contributions of marginal interlocutors and discourse, and their often underrepresented and overlooked contributions to global variants of development discourse.

Indian Economics' idea of development pushed at the discursive boundaries of dominant development discourse to reflect the specific Indian experience. It has been important in my analysis to understand and formulate the impact of dominant ideas of development on Indian

¹¹⁹⁶ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 5.

¹¹⁹⁷ *Ibid.*, 1–2.

¹¹⁹⁸ *Ibid.*, 5.

¹¹⁹⁹ Washbrook, "The Global History of Modernity: A Response to a Reply," 301–2.

Economics, because the imposition of foreign rulers, including their ways of knowing, has rendered the history of progress and development in India more turbulent.¹²⁰⁰ Wilson speculates that societies which are seen as having successfully transitioned to modernisation or a higher level of progress are those where modern and non-modern ways could be integrated more smoothly. India experienced a more violent conflict between modern and non-modern ways than Europe.¹²⁰¹ India's volatile, at times violent, experience with progress, modernity and development produced a universal idea of development that accommodated the specificities of such turbulent encounters with societal forces from within and outside of India – a summary of the main arguments in my thesis will be outlined in the first section.

In the second section, I will show that the production of such a redefinition of universal development was a precursor of the late 20th deconstruction and re-interpretation of modernity, progress, development and modernisation. Like the Indian Economists studied here, scholars starting in the 1920s, and then more dramatically in the 1960s, saw the need for multiple definitions and trajectories of progress and regress, and subsequently distinct development plans. I analyse the parallels between these two bodies of literature from very different time periods and locations. In particular, I list the assumptions of progress that were exposed by Indian Economics and the later 20th century group of scholars. The uncovered assumptions make it clear that the dominant idea of progress only equals European and North American experiences of positive societal change such as industrialisation. The section then shows how Indian Economics were already trying to reconcile tradition with progress and national goals with universal development, like the more recent 'multiple modernities' literature would do a century later.

In the final section, I argue that the idea of development in Indian Economics can be considered a contemporary tool for understanding societal change and how to harness positive forces of change. I contend that Indian Economics' idea of development gets us closer to a new definition of progress and development, which is useful for understanding divergent trajectories of societal change. The section also discusses the need for further research on issues not adequately dealt with in Indian Economics' development discourse such as the problematic of using natural analogies and the lack of discussion on the dynamics of international competition. Finally, I discuss where further research is necessary.

¹²⁰⁰ Wilson, "How Modernity Arrived to Godavari," 407–8.

¹²⁰¹ Ibid.

Redefining progress and development from and at the margins

As research started to show at the turn of the 20th century, Indian thinking in imperial India negotiated discursive borders, which opened up a space between European universalism and an emerging national space.¹²⁰² Research or science was both a Western instrument of coercion *and* an Indian tool for liberation.¹²⁰³ These perhaps contradictory uses of Western knowledge and practises are not mutually exclusive. My thesis attempts to acknowledge the former, the dominant presence of Western ideas in imperial India, and highlight and examine the results of the latter, Indian discursive innovation from and at the margins.

Firstly, my analysis found that the Indian Economists were able to move away from the dominant development discourse which concentrated on what India lacked and instead concentrated on what India possessed and how the imperial regime was imposing regressive policies. Indian Economics' idea of societal change followed a stadial theory of four stages, including the infant, child, adolescent and adult stages (see chapter 3). India had been at the adolescent stage up until the 16th and 17th centuries. According to Indian Economics, by the late 19th century, India had regressed from the adolescent stage down the chain of stages to the lower child stage, characterised by a dependent imperial economy with a dominant agricultural economy. The emphasis on regress in Indian Economics effectively brings back earlier thought that had acknowledged the presence of regression but had since retracted from dominant discourse. In 19th century Europe, it was assumed that progress was constant, based on their own observed experience over the 18th and 19th centuries. Indian Economics, on the other hand, argued for a contextual understanding of India as a society that was regressing rather than progressing – proven, for example, by the severe famines and the deindustrialisation of the handicrafts industry.

Indian Economics employed analogies from the natural sciences to explain how society transitioned between stages, using social evolutionary theory. Social evolutionary theory, which was popular throughout the 19th century to explain societal change, explained changes in society as adhering to some particular order. The theory assumed that societal change was constant and occurred through the interdependence of several societal parts. Interdependence meant that changes in one sector of society would lead to changes in other sectors. Social evolutionary

¹²⁰² See for example, Chatterjee, *The Nation and Its Fragments: Colonial and Postcolonial Histories*; Chatterjee, *Nationalist Thought and the Colonial World: A Derivative Discourse*; Gyan Prakash, *Another Reason: Science and the Imagination of Modern India* (Princeton, NJ: Princeton University Press, 1999); Goswami, *Producing India: From Colonial Economy to National Space*.

¹²⁰³ Also shown in Prakash, *Another Reason: Science and the Imagination of Modern India*.

theory explained how society could slowly but constantly move from simple to ever more complex structures. In other words, social evolutionary theory assumed that societal change was constant, sustainable positive societal change was slow and society moved from chaotic to orderly systems.

Indian Economics' idea of societal change also included a discussion around universality. Are processes of societal change the same everywhere? On first glance, it seemed that the Indian Economists diverged on this matter. Ranade, as seen in the opening quote of my conclusion, assumed that societal change happened differently within various countries – i.e. societal change is not universal. Naoroji and Dutt criticised Ranade for uttering such false statements. India, according to Naoroji and Dutt, would adhere to universal processes of societal change once imperial rule would cease. India, like all other countries without imperial rule, would follow a similar shift in societal structures. On a closer reading, however, this is in fact what Ranade also argued. Once India would transition to a higher stage of progress, it too would follow the same societal change seen in other countries at that stage. Universality was assumed across regions but not within stages of progress. Each level had its own processes of societal change, which made late 19th century India different because it was in the imperial stage, unlike Britain's higher industrialised stage at the time.

Secondly, my analysis constructed the idea of development in Indian Economics (see chapter 4). The Indian Economists used their understanding of regress, progress and stages of societal change to construct an effective plan for development. I argued that the overall framework in Indian Economics was a precursor to mid-20th century balanced growth theories. Balanced growth theories became popular with scholars such as Nurkse who argued that developing countries needed to invest in all sectors of the economy. Like Nurkse, all the Indian Economists agreed that order and cooperation in the whole economy needed to be established to bring about progress. The Indian Economists also agreed that high value-added goods, such as manufactured goods, should be developed in India. Finally, rural development was considered important, especially by Dutt.

Despite these convergences, there were several divergences of ideas within Indian Economics' idea of development. For instance, foreign capital was a widely debated topic. Ranade and some other Indian Economists argued it would be destructive to turn down any kind of capital in a capital scarce country like India. Naoroji disagreed: foreign capital was penetrating the Indian market with regressive results because the profits were often not reinvested in India but sent back to the investors' homeland. Naoroji as well as other Indian

Economists claimed that foreign capital could not have progressive effects in an imperial setting like India. Finally, the Indian Economists did not all advocate social policies. Ranade maintained that political freedom and economic progress were not sufficient for overall development. Indian development also needed to include social policies to, for example, combat regressive Western materialistic ideas and unify religions to create order. These debates are as relevant in India today as they were then.

Finally, I constructed the general perspective with Indian Economics, which lies between nationalism and universalism and uncovers how Indian Economics was able to redefine universal development. According to the Indian Economists, universal development, unlike Ricardo's comparative advantage theory and List's rejection of Asian progress, meant global industrialisation where India's increased national income thanks to industrialisation would give Britain and other trade partners more demand for their exports. In other words, global industrialisation would yield higher aggregate demand, which would lead to larger trade flows and prosperity to all.

Indian Economics' Deconstruction of Universal Development as a Contemporary Tool

Having explained how I got here, I will now show how Indian Economics' idea of development shares several similarities with research published in the last 30 years or so on multiple modernities, in order to demonstrate that Indian Economics can be a contemporary tool to understand progress and development. (There were earlier scholars, primarily Leon Trotsky and Gerschenkron who argued similarly in the 1920s-1930s and 1950s respectively.¹²⁰⁴) The more recent literature discusses how the unitary concept of modernity breaks down in the late 1960s as the turbulent reality of the 20th century demonstrated that all localities did not progress or modernise along the same linear trajectory. Moreover, research started to show that traditional or regressive forms of life co-existed with modern or progressive societal processes. Finally, the post-1960s saw a number of studies persuasively arguing that the idea of modernity or progress was universal only because Europe and North America had imposed such discourse and thinking onto other parts of the world.¹²⁰⁵ As seen in the preceding chapters, Indian Economics reacted to comparable chaotic trends in India such as increasing poverty and deindustrialisation

¹²⁰⁴ Ben Selwyn, "Trotsky, Gerschenkron and the Political Economy of Late Capitalist Development," *Economy and Society* 40, no. 3 (August 2011): 421–50; Trotsky, *Permanent Revolution and Results and Prospects*; Gerschenkron, *Bread and Democracy in Germany*.

¹²⁰⁵ Washbrook, "From Comparative Sociology to Global History: Britain and India in the Pre-History of Modernity," 413–16.

and came to similar conclusions. India was not progressing like Europe and India had been imposed certain modern ways such as free trade through imperialism with seemingly regressive consequences.

The concept of modernity was then revised. The recent literature includes one particular school led by Washbrook that has several parallels with Indian Economics' redefinition of dominant development discourse.¹²⁰⁶ Both bodies of literature, a hundred years apart, effectively explain the complex bidirectional interactions between Europe and the rest of the world, including India. I demonstrate below that these two bodies of literature construct redefinitions of progress, development, modernity and modernisation that acknowledge positive societal changes as a series of practices different in various time periods and locations.

First, however, it is important to ask how the definitions of progress, development, modernity and modernisation overlap. As seen in this thesis, Indian Economics primarily used progress and development in their texts, while the more recent literature to be analysed below uses modernity. There is much evidence to show that modernity, modernisation, progress and development are very similar concepts – especially considering that British imperial officers later went on to work in development agencies such as the World Bank.¹²⁰⁷ As explained in the introduction and chapter 3, progress was defined by 19th century thinkers, including Indian Economics, as inevitable positive societal changes, while development was defined as the intentional plan to harness progress. Modernity is broadly defined as the positive changes seen during Europe's transformation from a traditional and regressive to a modern and progressive society.¹²⁰⁸

¹²⁰⁶ For example, Washbrook, "The Global History of Modernity: A Response to a Reply," 299; David Washbrook, "Eighteenth-Century Issues in South Asia," *Journal of the Economic and Social History of the Orient* 44, no. 3 (2001): 372–83; Sanjay Subrahmanyam, "Hearing Voices: Vignettes of Early Modernity in South Asia," *Early Modernities* 127, no. 3 (1998): 75–104; Christopher Alan Bayly, *Indian Society and the Making of the British Empire* (Cambridge: Cambridge University Press, 1988); Bayly, "The Birth of the Modern World: 1780–1914." Another school that also remakes the concept of modernity in the second half of the 20th century has a slightly different approach. The school assumes that modernity originates in Europe but its dissemination to other parts of the world creates alternative modernities, e.g. Chatterjee, *The Nation and Its Fragments: Colonial and Postcolonial Histories*; Chakrabarty, *Provincializing Europe*; Dilip Parameshwar Gaonkar, *Alternative Modernities*, ed. D Gaonkar (Durham and London: Duke University Press, 2001); K. Sivaramakrishnan and Arun Agrawal, *Regional Modernities: The Cultural Politics of Development in India* (Stanford, California: Oxford University Press, 2003).

¹²⁰⁷ Corinna Unger, "Histories of Development and Modernization: Findings, Reflections, Future Research," *H-Soz-Kult*, 2018; Joseph M. Hodge, "British Colonial Expertise, Post-Colonial Careerism and the Early History of International Development," *Journal of Modern European History* 8, no. 1 (2010): 24–46.

¹²⁰⁸ Wilson finds that early 20th century Indian nationalism argued that India could modernise, actually using the word modernise (Wilson, "How Modernity Arrived to Godavari," 431.).

Moreover, modernisation, like development, offered the idea that the world could be changed.¹²⁰⁹ In fact, modernity and progress as well as modernisation and development are used synonymously: all are about progress as measured in terms of industrialised nations' standards.¹²¹⁰ Some difference exists in the 20th century definitions of these terms: modernisation contained a much stronger claim to transform social lives and order, while development was directed at infrastructure. Yet, as is hopefully clear by now, Indian Economics defined development both as a social project – especially Ranade – and a plan to build infrastructure and implement economic policies. In sum, the concepts of modernity and progress overlap as do modernisation and development.

Much like Indian Economics, the emerging literature on multiple modernities successfully deconstructs the dominant ideas of modernity and modernisation. Several studies identify assumptions embedded in these ideas that prove them incompatible with non-European or non-Western histories and experiences with societal change.¹²¹¹ Firstly, the concept of modernity assumes the West had to be a closed system unique in some fundamental way, which somehow at some point gained modernity – something that had not been present before.¹²¹² Indian Economics also debunks this idea by demonstrating that India had been socially, economically and politically progressive in the past. Secondly, all Western countries are presumed to be the same despite the fact that no one would probably ever argue that the Scandinavian countries have changed in the same way that America and Canada have. Indian Economics clearly understood that other regions such as North America were implementing protectionary trade policies in order to effectively compete with an already industrialised British economy.¹²¹³ Thirdly, modern forms of society was assumed to take over previous traditional ways of life.¹²¹⁴ Fourthly, if a society then has traditional societal structures and characteristics,

¹²⁰⁹ Zygmunt Bauman, *Wasted Lives: Modernity and Its Outcasts* (Oxford: Polity, 2004), 23.

¹²¹⁰ David Ekbladh, *The Great American Mission: Modernization and the Construction of an American World Order* (Princeton, NJ: Princeton University Press, 2010), 41, 87.

¹²¹¹ Washbrook, "Intimations of Modernity in South India"; Washbrook, "Progress and Problems: South Asian Economic and Social History c. 1720–1860"; Subrahmanyam, "Hearing Voices: Vignettes of Early Modernity in South Asia"; Wilson, "How Modernity Arrived to Godavari"; Fourie, "A Future for the Theory of Multiple Modernities: Insights from the New Modernization Theory"; Matin, "Redeeming the Universal: Postcolonialism and the Inner Life of Eurocentrism"; David Landes, *The Unbound Prometheus: Technological Change and Industrial Development in Western Europe from 1750 to the Present* (Cambridge: Cambridge University Press, 1969); Max Weber, *From History to Modernity* (London and New York: Routledge, 1992).

¹²¹² Washbrook, "From Comparative Sociology to Global History: Britain and India in the Pre-History of Modernity," 413.

¹²¹³ For example, Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:302.

¹²¹⁴ Wilson, "How Modernity Arrived to Godavari."

it is considered exclusively non-modern. Indian Economics similarly debunked this presumption by highlighting that India had both modern and progressive institutions – e.g. the village community structures – along with more traditional and regressive characteristics – e.g. early marriage of young girls.¹²¹⁵ The 19th century accounts of the East's dominant traditional society leads to the fifth assumption: the inherent and significant difference between the West and East.¹²¹⁶ Indian Economics also highlighted how these differences were over exaggerated.¹²¹⁷

Uncovering modernity's Eurocentric assumptions yield several results. Firstly, researchers realise that India's history was misread and delegitimised. In other words, non-European regions exposed to universal discourse, such as India, are conceptually disconnected from their internal processes of progress and development.¹²¹⁸ As Washbrook notes, the recent multiple modernities discourse re-learns that India, and the East, had a rise of commerce and a money economy even before Europe modernised.¹²¹⁹ Likewise, Indian Economics provided a re-reading of Indian history, examining the progressive past when India traded substantial quantities of goods all over the world.¹²²⁰ Similarly, both the multiple modernities literature and Indian Economics' idea of development rightly assign agency to India's role in helping Britain, and other Western countries, to rapidly industrialise and develop during the 18th and 19th centuries.¹²²¹ Uncovering the assumptions of progress and modernity recovers the many similarities, as well as the interdependence, between the East and West.

In turn, the literature in question moves away from the dominant idea that modernity was simply imposed on India exogenously.¹²²² Yes, ideas of universal progress and modernity

¹²¹⁵ Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*, 1:151; Ranade, *Religious and Social Reform: A Collection of Essays and Speeches*, 26–52.

¹²¹⁶ Washbrook, "From Comparative Sociology to Global History: Britain and India in the Pre-History of Modernity," 414.

¹²¹⁷ For instance, Naoroji, *Poverty and Un-British Rule in India*, 249.

¹²¹⁸ Matin, "Redeeming the Universal: Postcolonialism and the Inner Life of Eurocentrism," 362.

¹²¹⁹ Washbrook, "From Comparative Sociology to Global History: Britain and India in the Pre-History of Modernity," 414; Wilson, "How Modernity Arrived to Godavari"; Subrahmanyam, "Hearing Voices: Vignettes of Early Modernity in South Asia"; Taylor, "Two Theories of Modernity"; Habib, *Essays in Indian History: Towards a Marxist Perception*.

¹²²⁰ See chapters 3 and 5 for further analysis of this re-reading and examples from the primary sources.

¹²²¹ For example, these studies show how India had industrial capabilities: Washbrook, "Intimations of Modernity in South India"; Subrahmanyam, "Hearing Voices: Vignettes of Early Modernity in South Asia"; Dutt, *The Economic History of India Under Early British Rule: From the Rise of the British Power in 1757 to the Accession of Queen Victoria in 1837*; Dutt, *The Economic History of India in the Victorian Age: From the Accession of Queen Victoria in 1837 to the Commencement of the Twentieth Century*.

¹²²² Borsa, *Le Origini Del Nazionalismo in Asia Orientale*.

travelled to India – as shown by Seth, Taylor, Valdameri and Borsa.¹²²³ As studied by Seth, Indian elites, including the Indian Economists, learned ideas of modernity through their imperial education – see also chapter 2. Nevertheless, Seth’s study concludes that the Indians graduates constructed a critique of modernity. Borsa has also found that Indians experienced modernisation endogenously spurred by the need to elaborate “an indigenous idea of modernity.”¹²²⁴ This is despite the fact that both British officials and Indian intellectuals complained that Indian students were only copying the ideas they were taught, supposedly failing to create new ideas or theories.¹²²⁵ I would infer that such a perspective coming from both the 19th century the British and Indian elite must have created a resistance and blindness to original Indian thought – and perhaps still does today.

In sum, the aforementioned studies which mainly analyse discourse and ideas, links to several investigations into the “powerful universalising and homogenising and forces”¹²²⁶ or “historical processes that brought hitherto relatively isolated societies into contact”¹²²⁷ more broadly in the discipline of history that explores material processes. Both sets of studies, along with Indian Economics a hundred years before, acknowledge global forces that had huge ramifications on the West and East, while simultaneously uncovering the complex reaction to such forces.

The research effectively debunks modernity’s assumption that traditional ways of life disappear with the emergence of modern society. There is no doubt that dominant ideas of progress and development as well as actual material forces had substantial effects on Indian development discourse and reality. Still, modern universalising processes coexisted along with Indian traditional forms of life, economic history and non-European like imperial structures. In other words, Indian Economics and the literature on multiple modernities make the claim that in order to effectively understand the dynamics of such an impact, the dominant idea of modernity and progress needs to be refracted. The redefinition of progress and modernity that follows then accounts for both actual homogenising and universalising forces imposed on India,

¹²²³ Seth, *Subject Lessons: The Western Education of Imperial India*; Taylor, “Two Theories of Modernity”; Valdameri, “The Influence of Liberalism in the Definition of the Idea of the Nation in India”; Borsa, *Le Origini Del Nazionalismo in Asia Orientale*.

¹²²⁴ Quoted in Valdameri, “The Influence of Liberalism in the Definition of the Idea of the Nation in India,” 4.

¹²²⁵ Seth, *Subject Lessons: The Western Education of Imperial India*, chaps. 1, 6.

¹²²⁶ Washbrook, “The Global History of Modernity: A Response to a Reply,” 297.

¹²²⁷ Subrahmanyam, “Hearing Voices: Vignettes of Early Modernity in South Asia,” 100.

as well as on other former colonies, and unique local practices of societal change.¹²²⁸ As Wilson puts it so well, “the history of modernity’s emergence is only ever a history of the partial dominance of modern institutions in particular places at particular moments of time.”¹²²⁹

Furthermore, stretching the dominant ideas of progress and development can then also resolve the perceived contradictions between nationalist and universalist perspectives. It goes back to the discussion in the previous chapter on reconciling nationalism with universalism. Contrary to dominant thinking, a country can be in favour of universal industrialisation, and extensive global trade networks while simultaneously being in favour of acknowledging local or national characteristics that could mean, for example, the need for protection. Indian Economics development discourse seems to lie in between nationalism and universalism. Indian Economics’ economic nationalism included a plan for collective equality, such as income redistribution, and a long-term goal of a universal society with global industrialisation and free trade. This is what I labelled universal development as an equal non-zero-sum game in chapter 5.

Towards a New Definition of Universal Progress and Development

The idea of development in Indian Economics illustrates that progress and development are not inherently European or Western. The processes of positive societal change that occurred in the West did not *only* originate there and will not, as a result, behave in the exact same way across the world. There are universalising forces that make the world ever more connected through, for example, trade networks and migration. Simultaneously, there are local practices and distinct societal processes that have actual political, economic and social effects long after so called modern, progressive or homogenising forces have materialised. I have found this argument by assigning agency to a marginalised idea of development and bringing the idea’s interlocutors into global debates around development during their time and later.

Finding a new definition of progress and development that is less like an artefact of ideology and more like a contemporary tool that can be used to analyse processes of change, is, to some extent, infeasible. Indeed, Bakhtin helps us understand that all utterances are laden with ideology because they are uttered by people who have their own unique experiences and biases. No utterance is free of some ideology. Yet, what I have attempted to show here is that the position of marginal discourses at the margins of discursive space offers the interlocutors

¹²²⁸ The following studies have come to a similar conclusion: Borsa, *Le Origini Del Nazionalismo in Asia Orientale*; Valdameri, “The Influence of Liberalism in the Definition of the Idea of the Nation in India,” 4; Taylor, “Two Theories of Modernity”; Tilly, *Big Structures, Large Processes, Huge Comparisons*.

¹²²⁹ Wilson, “How Modernity Arrived to Godavari,” 407.

uttering such discourse a unique perspective. The distinctive positioning pushes the interlocutors to critique dominant discourse that contradicts their lived experiences and rework those shared dominant meanings. For instance, late 19th century India experienced its most severe famines in its then history and so was seemingly regressing rather than progressing, despite the dominant idea of progress which saw positive change as a given.

Interlocutors at the margins had a different perspective of the world – this is literally the case when we think of the fact that the Indian Economists were in India and England, and interlocutors associated with the dominant discourse such as List and Ricardo were in Europe and North America. I argue that the physical and social position of interlocutors both constrains *and* facilitates meaning making – the Indian Economists had Western educational training imposed on them, but their vantage point meant that they could imagine an industrialised West *and* East. In this way, Indian Economics successfully produced a tool for viewing contemporary countries dealing with societal change that includes both universalising and local forces.

I do not contend, however, that the definitions of progress and development in the dominant and marginal realms of discourse are always distinguishable. The line between what is dominant and what is marginal, what is European or Western and what is India can be blurred and difficult to identify. Yet, I reason that by nuancing the discourses between interlocutors across borders and assigning agency to all interlocutors my analysis shows some Indian originality at the margins of development discourse.

That is not to say that Indian Economics' idea of development clarifies and improves on all issues to do with the dominant idea of progress and development. Firstly, the natural analogies found in Indian Economics' explanation of societal change seem to explain away too many societal practices. As discussed in chapter 3, natural analogies can restrict the focus of research and hence the understanding of how society changes. For example, natural analogies compare societal institutions to the functions of human organs. All humans have, more or less, the same organs. Yet, is it also true that all societies have the same institutions? A basic comparison of institutions even across countries that can be described as being in the same stage of progress would make anybody realise that institutions tend to vary from place to place. Thus, comparing how societies change to human growth seems counterproductive. The comparison makes it particularly difficult to explain the kinds of refractions of societal change that Indian Economics want to theorise in late 19th century India. Perhaps social science, such as political economy, should move away from using metaphors from the natural sciences. Societies change in a more complex, random and chaotic way than these natural analogies evoke.

Secondly, Indian Economics inadequately dealt with global competition. What role would competition play if all countries industrialised? Is it feasible to theorise that when all countries industrialised free trade would bring about development? Finally, how can global industrialisation really be brought about in a world where nationalist leanings coupled with anti-globalisation discourses are increasing? Anti-globalisation leaves little room to imagine the kind of resource circulation and distribution needed to bring about industrialisation in countries like India and continents like Africa. There is more to research and theorising to be done in order to build on our conceptualisation of societal change and construction and implementation of more effective development practices.

Additional discourse analysis on the other Indian Economists at this time would also be useful for further research. As explained in my introduction, I chose to focus on three key protagonists who wrote extensively and actively sought to study the Indian Economy. However, there are individuals that could be further analysed. I brought some additional interlocutors into my analysis as and when they had conflicting viewpoints and theories not seen in my main protagonists' discourse – including Joshi, Iyer, Telang, Gokhale. In other words, this thesis is not intended as a final word. I hope to do and see further research that assigns agency to many more marginalised figures in discursive spaces.

Nevertheless, through a positive discourse analysis of a large majority of Indian Economics' texts, I have attempted to revive what Dutt uttered in 1905: "The East is the home of poetry, as of philosophy and great religions; to the East belong the noblest flights of human imagination and loftiest aspirations of human faith."¹²³⁰ We need to acknowledge that the dominant idea of development informs the imagination of many scholars, interlocutors and actions across the world. Still, there are often overlooked and forgotten marginal development discourses that can inform our past, present and future. As I have argued throughout, the idea of development in Indian Economics is one such informative marginal discourse.

¹²³⁰ Dutt's contribution to the *Wednesday Review* on 23 August 1905, reprinted in Gupta, *Life And Work Of Romesh Chunder Dutt*.

Appendix I¹²³¹

IN PLACE OF EXPORTING	CONVERT THEM INTO & EXPORT
Oil Seeds	Oils
Dye Stuffs	Dyes and Pigments
Wheat	Flour
Unhusked Rice	Husked Rice
Jaggery	Sugar
Raw Cotton	Cotton Goods.
Raw Wool	Woollen Goods and Shawls
Raw Silk	Silk Goods
Jute and Flax	Gunny Bags, Ropes
Hides and Skins	Prepared and Tanned Leather
Raw Tobacco	Tobacco Cured, and Cigars
Fish	Cured and Salted Fish
Rags	Paper
Wood and Timber	Carved Wood and Furniture

¹²³¹ Ranade, *Essays on Indian Economics: A Collection of Essays and Speeches*, 127.

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