

# Exploring the archives: The architects of the Indian School of Political Economy

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*Maria Bach is currently exploring how Indian Political Economists conceptualised development between 1870 and 1905. The research examines how ideas coming from outside of India were made and remade in an effort to reconcile foreign theory with India's reality in the late 19th century. In this article she discusses four documents relevant to her PhD found in the LSE Library Archives.*



Development was formally conceptualised in the early 19<sup>th</sup> century to explain how an economy can harness the positive forces of progress to improve society. Half a century later, Indian intellectuals were increasingly frustrated with India's economic reality and the British rulers' failure to combat mounting poverty and deindustrialisation. A group of the intellectuals founded a school of Indian Political Economy, in order to better conceptualise and theorise the Indian economy.

My PhD research aims to examine how these Indian Political Economists conceptualised development between 1870 and 1905. I historicise their concept of development to uncover its origins and analyse this instance of international diffusion of economic thought. More precisely, my research examines how ideas coming from outside of India were made and remade in an effort to reconcile foreign theory with India's reality. The latter is especially important in understanding how ideas disseminate and take hold (or not) in different environments, because discourses can affect policy implementation and socio-economic structures at large.

Mahadev Govind Ranade founded the Indian School of Political Economy in 1892. Other members include Dadabhai Naoroji, R. C. Dutt, G. V. Joshi, G. S. Iyer, P. C. Ray, Gopal Krishna Gokhale, and K. T. Telang. My research involves a textual analysis of their published speeches, articles, and books, as well as letters and secondary material such as biographies. I therefore consulted the LSE Library Archives, where I found two letters from Naoroji about his political career in Britain, the 21<sup>st</sup> Indian National Congress presidential address by Gokhale in 1905, and two biographies of Ranade and Naoroji (in pamphlet form).

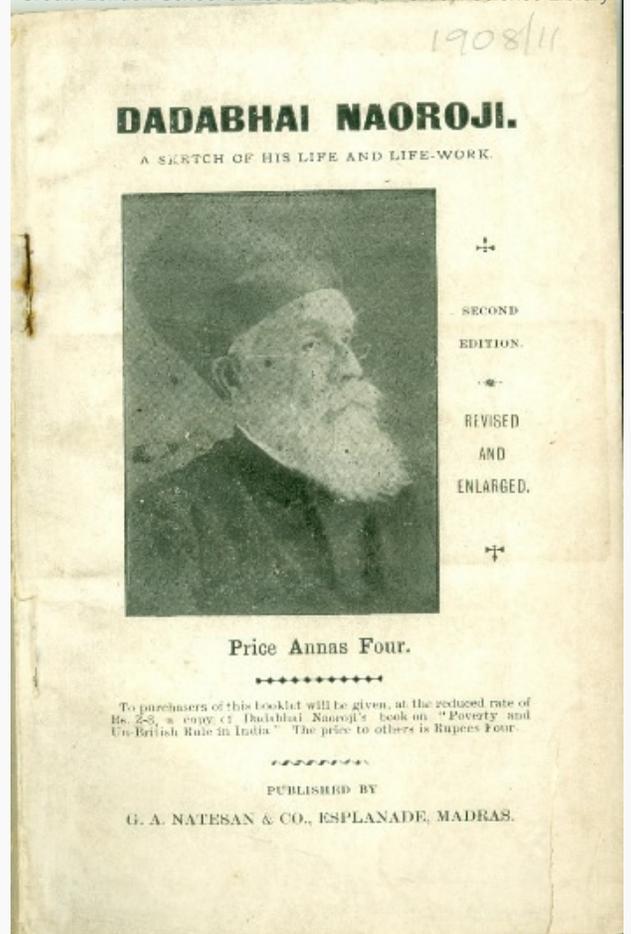
The pamphlet that sketches Naoroji's (1825-1917) life and work gives a brief overview of the 'Grand Old Man' of India, a name he felt honoured to be called. Naoroji was born into a Parsee family of priests in Bombay. His career included a professorship at the Elphinstone Institution (later College), business in England, and several political roles in India (e.g. Dewan of Baroda State, member of the Municipal Corporation in Bombay, and Indian National Congress president). Most notably, he was the first Indian to be elected as a member of the British Parliament in 1892.

An interesting feature of the pamphlet's is the short autobiography in Appendix A in which Naoroji confirms all the details included in the main body. Naoroji's main thesis and stated goal in his published works is that India has the potential to elevate and ameliorate its condition. In other words, he wishes to bring progress to India, which is interestingly how he identifies himself. For example, Naoroji explicitly thanks his mother for making him who he is... "Progress" (No Author, 1908, p. 35).

The two letters in the archives concern Naoroji's political career in England. In the letter to Francis Johnson MP, Naoroji writes that he will give him financial support for Mr Johnson's Finsbury Independent Labour Party branch. The second letter to Keir Hardie refers more directly to Naoroji's political activity. He mentions his successful civil service reform, gaining simultaneous examinations for civil service positions in the Government of India in Britain and India, and asks Hardie to help him influence a parliamentarian to support him.

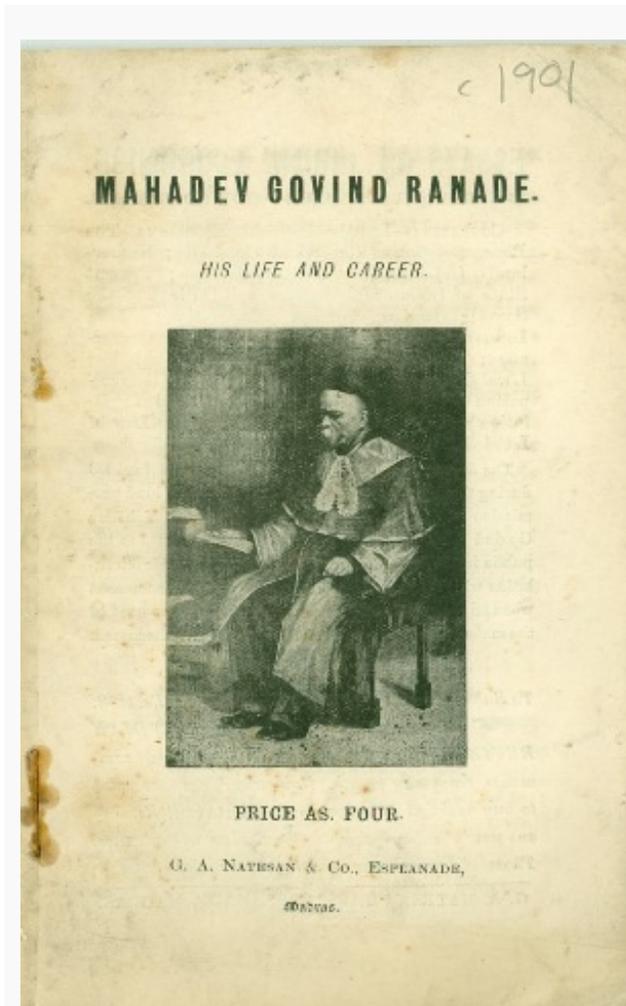
The pamphlet on Ranade (1842-1901) also sketches out his life and work. There are stark similarities between Ranade and Naoroji's lives. Ranade too was born in Bombay into a middle class family (although Marathi rather than Gujarati). He also attended and later taught at Elphinstone Institution. However, Ranade is most well-known for his position as judge in the High Court – the highest legal position that could be achieved by an Indian at that time.

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The pamphlet ends with several accounts of Ranade by people who knew him



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personally and/or professionally. Gokhale gives a particularly touching account: Ranade is described as tolerant of all religions and classes, willing to co-operate with anyone, and firmly believing in giving a common platform for the Indian nation. Ranade also believed that the people of India were first Indians and then Hindus, Muslims, Parsees and Christians etc., and he wished for progress for all (No Author, 1901, p. 40) – much like Naoroji discussed above. Gokhale also pinpoints a fundamental conflict in this passage that is not often directly discussed – the challenge of reconciling the conflict between

what was due to their foreign rulers and the needs of India. In other words, Indian intellectuals struggled to both *appreciate* what the British administration had given India (e.g. a modern educational system and communications and trade through the railways) and *criticise* the British administration for draining India of its resources (e.g. the benefits of the railways were essentially going to the British and not the Indians – such as the profits of railways themselves and the trade they facilitated). Gokhale has observed that Ranade was consequently self-reflective and practised self-control (No Author, 1901, p. 41). These personal accounts give us a glimpse into these men's feelings which could help me to better understand their interpretations of development.

Gokhale's (1866-1915) Presidential Address at the 21<sup>st</sup> Indian National Congress from 27-30 December 1905 marked the end of the rule of the heavily disliked Lord Curzon, Viceroy of India. Gokhale likens Lord Curzon to the 17<sup>th</sup> century Mughal Ruler Aurengzeb who had "the same persistence in a policy of distrust and repression" (Gokhale, 1905, p. 2). Ranade had similar ideas about the parallels with Aurangzeb. Another similarity between

Gokhale and Ranade's theses is that India occupied a niche in manufacturing cotton, and therefore the Swadeshi movement (a boycott of British goods started in mid-1905) could help redeem India's "natural position" (*ibid*, p. 10).

Finally, like many of the Indian Political Economists in the late 19<sup>th</sup> century, Gokhale used Western economic categories to argue for economic policy that would counteract the British deindustrialisation of India that was emerging in the late 19<sup>th</sup> century (industrial activity and capacity was being reduced without the simultaneous growth of a modern industry in the same line of production to compensate). For instance, Gokhale argues that if the automatic adjustment assumed in free trade theory (that a commodity should be produced where the comparative cost of its production is the lowest and consumed where the relative price is the highest) has not occurred, then any agency who promotes the dismembering of the impediment would be following the interests of free trade (*ibid*). In other words, Gokhale legitimises the promotion of domestic production through the boycott of British goods and capital investment in the name of free trade – their rulers' preferred policy. This example shows an instance of how ideas can be picked up far from its original geographical location and be interpreted to suit the destination's circumstances.

These inspirational figures laid the intellectual foundations of the Indian national movement, which would eventually lead to independence. India owes a huge debt to these men, who dedicated their lives to educating the British administration about the subcontinent and researching how India could reduce its extreme poverty, as well as putting the necessary structures (e.g. Indian National Congress) and ideas of national unity in place to bring about effective mobilisation.

What is more, their intellectual rigor and progressive ideas are worth taking inspiration from in our present context of growing intolerance. For example, Ranade and Naoroji were inspired by Akbar's rule (a Mughal ruler in India, 1556-1605) that abolished discriminatory laws and attempted to foster unity between communities. One quote cited in the pamphlet on Ranade's life from a poem entitled *Akbar's dream* struck me as particularly moving:

“there is light in all, And light, with more or less of shade, in all Manmodes of worship” (No Author, 1901, p. 29).

## List of Archival Sources

Naoroji, D. (1902), Letter from Naoroji to Francis Johnson, 29 July.

Naoroji, D. (1905), Letter from Naoroji to Hardie, 17 December.

Gokhale, G. K. (1905), *21<sup>st</sup> Indian National Congress, Presidential Address*, 27-30 December. Calcutta: The Cherry Press.

No Author (1901). *Mahadev Govind Ranade: His Life and Career*. Madras: G. A. Natesan & Co., Esplanade.

No Author, (1908). “Dadabhai Naoroji: A sketch of his life and life-work”, 2nd ed., Esplanade, Madras: G. A. Natesan & Co

*The images and documents used in this post are from the Independent Labour Party archives, held at LSE Library. This forms part of a large collection of unique archives that document South Asian affairs from a British perspective. If you are interested in using this collection or finding out more, get in touch with the curator for politics and international relations, Daniel Payne [@lse.ac.uk](mailto:d.payne1@lse.ac.uk)/[@politicscurator](mailto:@politicscurator).*

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## About the Author

**Maria Bach** is pursuing a PhD at King's College London in order to become a professor in the History of Economic Thought. Her thesis analyses how Indian Political Economists constructed an idea of development at the turn of the 19<sup>th</sup> century. Maria is currently teaching Economic History at LSE, where she is also pursuing a post-graduate certificate in higher education. Previously, she was a consultant at the OECD in Paris for two years working on a project entitled New Approaches to Economic Challenges. Maria completed her Masters of Science in Development Economics in 2012 at the School of Oriental and African Studies (SOAS) and her Bachelors in International Economics and Applied Mathematics at the American of University of Paris (AUP) in 2011.



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