**A WIN-WIN MODEL OF DEVELOPMENT:
HOW INDIAN ECONOMICS REDEFINED UNIVERSAL DEVELOPMENT FROM
AND AT THE MARGINS, 1870-1905**

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Abstract

In this article, I argue that looking at lesser known intellectuals can help history of economics uncover new ways of seeing the world. My focus is the beginnings of “Indian Economics” and its conceptualization of development. The Indian economists, despite their elite status in India, were from an imperial context where they were never considered economists. Studies throughout the 20th century continued to treat them only as nationalists, rarely as contributors to economic knowledge. My research gives agency to these economists. I show how the position of Indian Economics from the margins of discursive space offered a unique perspective that enabled it to discursively innovate at the margins of development discourse. Indian Economics redefined the concept of universality in the existing 19th century idea of development by rejecting the widely accepted comparative advantage model and assertion that progress originated in Europe. Moreover, the economists pushed for universal industrialization, even for imperial territories, arguing that universal progress was beneficial to all.

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I. INTRODUCTION

Developing regions have been perceived different from the industrialized, developed regions of the world, especially since the emergence of a separate discipline of development that started to incorporate approaches from economics, politics and political economy in the mid-20th century. The discipline theorized that the developing regions were dependent on the modernized core regions primarily in Western Europe and North America. These impoverished areas had imperial legacies and inherently different problems to tackle than the richer, former imperial powerhouses. Yet, theories and debates around imperial oppression and dependency in developing regions started earlier than the mid-20th century. For instance, a group of Indian economists in the late 19th century, whose research came to be known as part of Indian Economics, was able to envisage a positive-sum game of global development where an industrialized East would not outcompete the already industrialized West. The unindustrialized parts of the world could also benefit from higher standards of living through industrialization, which would ultimately increase the demand for manufactured imports from the already industrialized parts of the world. The question then that development studies often poses, whether a win-win model of development is possible, may find a possible answer in a non-Western idea of development conceptualized in late 19th century India.

Since the 1870s, the first generation of graduates from the imperial universities consisting 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 delivered at the Deccan College, Poona in 1892 on "Indian Economics." (Ranade, 1906, p.1) Ranade's inauguration of an Indian Economics placed the increasing number of studies on the Indian economy under its intellectual umbrella. The research conceptualized 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.

In section II, I briefly discuss the beginnings of Indian Economics within an imperial setting and how meaning making can be analysed in such a context. Section III analyses the discursive innovation found in Indian Economics: what was distinct about the group's approach to development. The section finishes with an investigation of how the Indian win-win development model combines nationalist and universalist approaches to development.

II. MEANING MAKING IN AN IMPERIAL CONTEXT

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.(Arndt, 1987, p.13) Development here includes economic, political and social phenomena – e.g. industrialization, intellectual progress and democracy. The idea of development is often confined to European industrial progress and that region's specific experience with progress.(Marglin and Marglin, 1990; Cowen and Shenton, 1996; Amin, 1989; Inden, 1990; Hobson, 2004, 2012; Matin, 2013) 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.(Matin, 2013) It is unsurprising then that the dominant discourse on development is extensively founded on European ways of knowing.(Marglin and Marglin, 1990; Cowen and Shenton, 1996)

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 theorizing the world. Within the discipline of history of ideas and more specifically here the history of economics, studies are predominately about well-known figures such as Adam Smith and David Ricardo, while lesser known figures are less cited or analyzed.¹ I 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.

The last three decades of the 19th century saw a radical decline in the belief amongst Indian intellectuals that Britain, with its relatively advanced industrialized economy, could successfully develop India.(Ranade, 1906, pp.70–104; Chandra, 1991, p.84) 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.(Goswami, 2004, p.11) India was experiencing deindustrialization, severe famines, increasing poverty and was negatively hit by Britain's and Europe's economic crisis, 1873-1896.(Davis, 2002; Beckert, 2014) Indian

¹ There are of course some scholars, especially within intellectual history, that have dealt with lesser known interlocutors. There is also clearly a growing trend in the last decade or so of studying these figures. However, there is still much to be done in the history of economics.

Economics, whose authors were part of the Indian elite, found India's reality different due to imperial policies which were both draining India of much needed capital and deindustrializing its economy.(Ranade, 1906, pp.66, 183, 185; Joshi, 1912; Dutt, 1901, pp.vii–viii, 256, chap. 8, 1902b, pp.vii, 218; Gokhale, 1920, p.19,52; Iyer, 1903; Chandra, 1991; Chatterjee, 2003, p.489; Goswami, 2004, p.222) Indian Economics theorized 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.(Ray, 1901, p.656; Iyer, 1918)

Ranade's lecture in 1892, cited above, is considered the main founding text of Indian Economics, primarily because the term “Indian Economics” was first coined in that lecture.(Ranade, 1906, p.1) The lecture hall was largely 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 also part of the imperial university system, a prominent place for Indian intellectuals and one of the oldest modern educational institutions in India. The other founding text was authored by Ganapathy Dikshitar Subramania Iyer, a leading Indian journalist and social reformer at the time. Both founding texts laid out two reasons why India needed its own economic thinking. First, 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.(Ranade, 1906, pp.5, 11, 24) Iyer asserted that “orthodox economic science, as expounded in English textbooks, have to be modified when applied to the conditions of this country”(reprinted in (Govindarajan, 1969, p.1, see also; Iyer, 1903, pt.Appendix, p.1). Similarly, Ranade uttered that the orthodox economics tradition did 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, 1906, p.2) Secondly, there was a subsequent need for an Indian Economics which reflected the realities of India's current economic situation, namely imperialism and the poor socio-economic state.(Ranade, 1906, pp.21, 24; Iyer, 1903, pt.Appendix, p.3) “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,” to then identify an effective development plan.(Ranade, 1906, p.2)

Indian Economics would explain the Indian economy more adequately because, argued Ranade, it would employ a historical and global perspective. Ranade preferred the historical-institutional approach to research used by the German Historical School, as supposed to the deductive approach used by orthodox economists.(Dasgupta, 1993, p.112; Goswami, 2004, p.11; Chandra, 1966; Chatterjee, 2003, pp.487–488; Ganguli, 1977, p.59; Gopalakrishnan, 1954) 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.(Chandra, 1966, p.711) Moreover, Indian Economics would offer a much-needed global perspective. Ricardo's theory of comparative advantage advocated for a global division of labor that assigned raw material production to Asia and industrial production to the West, which stagnated Indian economic growth.(Ricardo, 1817; Goswami, 2004, p.211)

Ranade's and Iyer's initial idea of an Indian Economics proved popular with other contemporary Indian intellectuals, such as Dadabhai Naoroji, Romesh Chunder Dutt, Ganesh Vyankatesh Joshi, Prithwis Chandra Ray, Surendranath Banerjea, Kashinath Trimbak Telang and Gopal Krishna Gokhale, enabling Indian Economics to emerge.(Chandra, 1966, p.712; Goswami, 2004, p.236) 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.(Wilson, 2016, p.323) Each association represented a different societal group – e.g. the Pune Sarvakanik Sabha, established by Ranade, and was mostly made up mathematics teachers.(Wilson, 2016, p.323) The Indian National Congress, established in 1885, was the major organization to house different professionals including political economists, teachers, lawyers, traders and merchants as well as political viewpoints.(Wilson, 2016, pp.332–335) The seventy-two members that attended the first meeting in Bombay were all founders and leaders of modern institutions – many of whose writings were later put under the intellectual umbrella of Indian Economics.

The intellectuals associated with Indian Economics asked: 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?(Naoroji, 1901, p.136; Ray, 1895, p.66; Joshi, 1912, pp.749, 808, 886; Dutt, 1904a, pp.122–125; Iyer, 1903, pp.104–107, 130–131) (For secondary literature on Indian Economics, see (Goswami, 2004, chap.7; Dasgupta, 1993; Chatterjee, 2003; Chandra, 1966, chap.41; Gopalakrishnan, 1954; Omkarnath, 2016; Bayly, 2011; Kapila, 2010; Ganguli, 1977)). The answers, the Indian economists hoped, would result in the implementation of better imperial policies that would harness much needed progress in India.

The debates on Indian progress and development 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.(Naoroji, 1887, pts97–111, see also; Wilson, 2016, pp.335–337) 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.(Chandra, 1966, p.5) Naoroji then published *The Poverty of India* in 1876.(Naoroji, 1901) Ranade founded the *Quarterly Journal of the Poona Sarvajanik Sabha* in the late 1870s to spread a better understanding of India's poor economy.(Chandra, 1966, p.4) The economic inquiry into these matters hit a peak with Dutt's two-volume *Economic History of India*.(Dutt, 1902b, 1904b)

The research within Indian Economics was disseminated through lectures at universities and various societies and conferences as well as in published books and articles largely in English. Yet, these texts existed almost exclusively in India, and when 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. The Indian economists were not getting published in British economic journals or even treated as economists. According to many imperial officers and British intellectuals, the Indian economists were political activists fighting for Indian self-rule, not political economists creating knowledge. I therefore see the idea of development within Indian Economics as coming from and existing at the margins, both because the Indian economists were situated at the margins of intellectual circles and because its thinking contributed to the dominant idea of development at the margins.

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 analyze economic development. 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 (Gupta, 1911, p.294) Similar conclusions can be found in later scholarship.(e.g. (Gopalakrishnan, 1954; Chandra, 1966, 1968) The studies seem to focus on the discursive and material constraints imposed upon imperial subjects. For instance, the research often 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. Indians were taught a Western curriculum and blamed for only regurgitating existing ideas from Europe and neglecting to transform ideas into original thought.(Seth, 2007) India's imperial status and extreme poverty is said to have made Indian intellectuals preoccupied with urgent political and economic needs, rather than knowledge creation.

In contrast, I find the Indian economists' multidiscursive and multispatial contexts, although some of which were constraints, left room for imagining a new configuration of the global political economy of development. By multidiscursive, I mean the traces of various discourses, worldviews, ways of seeing, voices, etc. identified sometimes through citations, other times through the use of similar wordings seen in other texts. Multispatial highlights the international, multi-institutional and contextually diverse nature of these Indian economists' writings – i.e. they were Indians who travelled and studied in other countries, especially Britain. I employ a dialogic theoretical framework operationalized through Positive Discourse Analysis (PDA). Mikhail Bakhtin's dialogic approach to analyzing discursive practices enables me to theorize how discourses simultaneously constrain and facilitate meaning-making.(Bakhtin, 1986, 1981) My method, PDA, operationalizes 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 discourses from and at the margins.

The historical, political and socio-economic context offered the discursive possibility necessary for the Indian economists to re-articulate and re-define existing economic thinking, rather than only reproduce existing dominant economic theories. As many historians of ideas theorize, ideas are necessarily transformed when passed from one interlocutor to another.(Goswami, 2004; Zachariah, 2019; Sartori, 2008) I have been able to expose the discursive innovation in Indian Economics by systematically uncovering the link between context and discourse. My investigation moves back and forth between context (by examining secondary economic history literature and my primary sources) and the discursive practices (by analyzing my primary sources). I emphasize that 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.(Bakhtin, 1981; Zachariah, 2019) The Indian economists were taught discursive practices (i.e. concepts, frameworks and tools of analysis) from their imperial university education and existing literature that were primarily based on another regional context – as articulated by the Indian economists themselves.(e.g. (Govindarajan, 1969; Ranade, 1906, p.2) They used these imported and imposed discursive practices to understand different regional circumstances in the South Asian subcontinent. I want to avoid overexaggerating the fact that Indian Economics and dominant ideas were always in different spaces – even though these protagonists inhabited, for the most part, different physical spaces. I merely want to acknowledge and understand the varied spaces within which my protagonists spoke and wrote. The idea of development that emerges is from and at the margins – to be laid out in section III below.

First, however, I need to discuss the key terms used in my analysis: development, industrialization, progress, regress and Eurocentric. Some terms, such as progress, regress, industrialization and universalism are found in the primary sources. These terms have naturally changed meaning over the last hundred years, so the definitions of these words will belong to the Indian Economics' texts and, in some cases, to the sources the primary material cites – see citations and analysis in section III.

The other terms Eurocentric and development are almost absent in my protagonists' texts. Nevertheless, in my view these terms can be used alongside the ideas found in Indian Economics. I use the term Eurocentric to reflect the arguments by Indian Economics that global history was based on the European experience of progress. Economic policies,

therefore, were also founded on theories and ideology that were created by European scholars about European history. While the term Eurocentric may not appear much in this period, the idea that the world evolved around European ways of knowing and doing things was ever present – not least in India where Britain was imperialising its political, economic and educational system, etc.

Existing conceptual histories of (economic) development argue that development is a post-World War II phenomenon.(e.g. (Arndt, 1987) Literature that focuses on the broader concept of development in and outside of the economics discipline, however, traces development back to the early 19th century with the French group of scholars, the Saint-Simonians.(Cowen and Shenton, 1996) While progress was seen as inevitable processes that occurred automatically without intervention, development was the intentional plan to harness progress.(Cowen and Shenton, 1996, p.22) My dialogic approach provides my research with the concept of speech genres – which embed particular social values, worldviews and intentionalities, and space-time reference points.(Bakhtin, 1986, p.69) Development is one such speech genre – the components seen in my primary sources mirror the norms, assumptions and theories present in later development discourse. Moreover, there are several instances in the primary material where the terms associated with development were used: e.g. “progress”(Dutt, 1902b, p.151, 1902a, pp.161, 158–159, 1897, 1874, p.184; Naoroji, 1977, pp.42, 45, 1901, pp.188, 201, 366; Ranade, 1906, pp.5, 10, 12, 18, 14–15, 21, 43, 121,123, 131, 193, 210, 277, 309, 1902, pp.246, 294; Dutt, 1904b, pp.31, 32, 63, 220, 240, 445, 459, 461, 505, 511, 532, 614) and “growth”(Ranade, 1915, p.117, 1906, pp.1, 12, 20, 26, 29, 104, 112, 129, 131, 203, 221, 234, 238; Dutt, 1904b, pp.129, 144, 173, 274, 289, 300, 339, 482, 523, 606; Naoroji, 1901, pp.339, 470). In another instance, Ranade used the phrase “the Progress of Wealth”(Ranade, 1906, p.12) Finally, there are a few instances where Ranade used development: e.g. in Ranade’s lecture on Indian Economics he utters that “even [the assumptions in orthodox economics] furnish no suggestion as to its dynamical progress or development” (Ranade, 1906, p.10) and then again later in the same lecture, he discussed “stages of development” (Ranade, 1906, p.30) (For further discussion, see (Bach, 2018).

We should take caution in the history of ideas to not impose our own ways of seeing the world and our boundaries on ideas. As Benjamin Zachariah writes, ideas have no borders.(Zachariah, 2019) Ideas spread with no rigid or final form, they exist within certain contexts and time periods, ever instable. Zachariah suggests considering “a model of ideas

gravitating towards each other,” rather than pulling out individual words.(Zachariah, 2019, p.135) While I do this above to persuade my readers that development is an appropriate and meaningful term to use in late 19th century India, throughout my analysis I take care to quote sentences, extract meaning of words within full extracts etc. Even Zachariah mentions that the term development existed in India, including terms such as “progress,” “development,” “modernization,” “industrialization,” “backwardness.”(Zachariah, 2019, p.139) Like Zachariah, I also find that these terms dealt with wider economic, political, philosophical and social concerns and norms. Understanding these variations is where my focus lies. The ideas around development in this period created words for my protagonists to express their concerns about existing problems in India and what prescriptions they thought were necessary to bring about desired change. As Zachariah insists, when ideas come to another space, the protagonists demand that variations are created.(Zachariah, 2019) While scholars such as Zachariah and my own dialogic approach caution us to use words across time periods because the same term means different things to different people, my method of contextualising the texts under analysis can systematically expose ideas not previously taken “seriously.”(Zachariah, 2019, p.133) Ultimately, using these complex terms, despite their varied meanings and built-in contradictions, provide an overarching framework within which I can tease out discourses from and at the margins overshadowed by dominant or more “successful” ideas.(Zachariah, 2019, p.133)

I analyze these ideas and parallels in the following section, taking into consideration the varying contexts within which the scholars found themselves. In so doing, I give agency to a set of economics writings from and at the margins, ultimately finding that Indian Economics discursively contributed *from* and *at* the margins of dominant development discourse.

III. DISCURSIVE INNOVATION FROM AND AT THE MARGINS

My focus, in this section, is to tease out the discursive innovation found in the Indian Economics’ idea of development. What ideas were unique at the time and how do they relate to later economic thinking. I find three distinct components: first, Indian Economics popularises a rereading of global history debunking the dominate idea that progress originates in Europe and rejecting the dominant theory of comparative advantage, or as Ranade labels it, international division of labor, which assigned raw material production to the East and manufacturing to the West. Enabling them, in turn, to use European theories that were

considered inapplicable to Asia. Second, Indian Economics conceptualized a dependent political economy that explained India's extreme poverty and worsening economic conditions not due to some inherent weaknesses but due to the imperial drain. Finally, Indian Economics were then able to imagine and prescribe a win-win model of development whereby universal industrialization could be beneficial to all. This model necessitated a reconciliation between nationalism and universalism, which was and is often deemed to be impossible in economic thinking.

A dominant reading of global history, particularly in the 19th century but also present today, argues that progress originated in Europe and would then spread to the rest of the world. The dominant reading of global history associated with terms like historicism, Eurocentrism and universality, assumes that a) Europe is the birthplace of progress, modernity, capitalism, industrialization 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. (Matin, 2013, p.354; Ferguson, 1995; Fukuyama, 1992; Mill, 1817; Rostow, 1960) As Chakrabarty argues, it was historicism that allowed Karl 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. (quoted in (Chakrabarty, 2000, p.7) 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, legitimizing the justification for imperialism. All countries would reach the same end point, but some would get there earlier than others.

India was considered different and at an earlier stage of progress, enabling early 19th century intellectuals and imperial employees to define imperial rule as a civilizing mission – e.g. Edmonde Burke, James and John Stuart Mill, Charles Grant and Thomas Babington Macaulay. (Burke, 1981, p.383) The imperial administration disseminated the civilizing mission primarily through James Mill's *History of British India* – a core text for all Indian civil servants. Mill read accounts of chaos and disorder in India's legal system and social relations. Imperialism, Mill claimed, would civilize the half-civilized natives of India, simultaneously justifying British imperial rule. (Metcalf, 1995; Wilson, 2016) Two later texts that became influential after the Indian Mutiny was Maine's *Ancient Law* and *Village-communities in the East and West*. (Maine, 1861, 1895) Maine theorized that law was

inherently linked with society's progress, and that communal law preceded private property. As he found communal property in India, he considered the subcontinent as traditional (as opposed to modern) or at an earlier stage of progress than Europe.(Maine, 1861; Mantena, 2010, p.14) These texts created a vision of India as backward and at an early stage of progress.

Indian Economics argued 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.(Hobson, 2004; Chatterjee and Hawes, 2008; Said, 1978) Indian Economics was the first to gain traction with its alternative version of global history, by rejecting the dominant idea that Europe continuously progressed like the inevitability of a human growing. Countries could go through both periods of positive and negative change, meaning that countries could fall in and out of a role of economic superiority. Indian Economics did not reject universal development nor the existence of stages of progress, but rather critiqued the order or sequential understanding of those stages – which placed India had a lower stage and did not let it pass to a higher level. Indian Economics claimed that India had a progressive past and could therefore skip a stage and transition to the adult stage of industrialization.(Ranade, 1902, pp.28,148, 1906, 176; Dutt, 1901, p.xix, 1904b, p.21; Naoroji, 1887, p.529, 1901, p.649; Joshi, 1912, p.616; Telang, 1916a, pp.51–53)

It is important to acknowledge here that describing a progressive past was and is a vital part of nationalist movements throughout global history. 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, 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.(Bhattacharya, 2014)

Contextualizing Indian Economics further debunks the idea that Britain was ahead of the rest even before the industrial revolution, because it 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. Moreover, Akbar, the 16th century Indian emperor, 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 Inquisition.(Mukherjee, 2010; Hobson, 2004; Chatterjee and Hawes, 2008) History is more complicated than the dominant reading of global history portrays. It is too simplistic to affirm that progress and modernity started in Europe.

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.”(List, 1856, pp.419, 126–127) Theorists like List who came from Germany, a country that was industrializing after Britain, argued that their countries should and could also industrialize like Britain, but not Asia.(Helleiner, 2015, p.992; Boianovsky, 2013, pp.658–662) The Indian economists disagreed, because their new reading of global history showed that India was not undeveloped and instead capable of progressing like Europe.

Indian Economics’ re-reading of Indian history also enabled a conceptualization of the Indian economy as a dependent imperial economy by uncovering the intentional extractive nature of imperial policy. The extractive imperial policy is most commonly known as the drain. The Indian economists understood that the drain caused a poor Indian economy, dependent on foreign capital, industrial goods and public administration skills from advanced countries. For instance, the Indian economists asserted that imperialism in India had created a “dependence” on Britain (Ranade, 1906, p.24) and wrote how the “Government forg[ed] stronger chains for us.”(Naoroji, 1977, p.43, see also; Dutt, 1902b, p.333) There was a common use of the term “Dependencies” to label territories under Crown rule in this period, which shows how a term already in use was remade into a different variant.(Ranade, 1906, p.14)

Indian Economics gave a few examples of how imperial actions produced a dependent imperial economy. 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.”(Dutt, 1902b, p.45) Throughout the 19th century the European “factories demanded raw produce, the people of India provided

the raw produce, forgot their ancient manufacturing skill, lost the profits of manufacture.”(Dutt, 1902b, p.276, see also 423)

The imperial promotion of free trade led to deindustrialization in India. Indian Economics argued that the British only promoted free trade when it was in their interest.(Dutt, 1904a, pp.122–125, 1897, p.81) For instance, Dutt explained:

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. 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 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.(Dutt, 1902b, p.302, see also 49)

The global trade flows subsequently shifted, making India an exporter of raw materials instead of industrial goods.(Dutt, 1902a, p.108) Then once the power-loom was adopted in India, the British put excise duties on their goods.(Dutt, 1902b, p.viii, 1902a, pp.43–46) Similarly, Iyer 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.(Iyer, 1903, pp.104–147) India had been made into an exporter of raw materials, dependent on Western demand.

Free trade could be effective in certain circumstances and not in others. Dutt turned to List, who he thought would be less biased as non-British, to help explain how free trade was not used to boost Indian industrial growth. For instance, List noticed that Britain did not want to become subservient to India and strove for commercial supremacy.(Dutt, 1902a, pp.123–124) Britain consequently imposed tariff barriers on Indian imports, which List considered detrimental to Indian industry.(Dutt, 1902b, p.300, 1902a, p.123) The thinking here is also similar to the idea of backwardness according to Alexander Gerschenkron, where state intervention is necessary to compensate for inadequate supplies of capital, skilled labor, entrepreneurship and technological capacity found in late developers like India.(Gerschenkron, 1962),

Finally, the increasing port and railway capacity did not mitigate regressive forces in India, especially because the British had monopolized maritime and railway transport, and mercantile trade.(Ranade, 1906, p.199; Chaudhary et al., 2015) (India's banking sector was also under foreign control although primarily funded by native capital.(Ranade, 1906, p.199) On the contrary, the railways increased foreign competition for India's manufacturing industry as British goods became easier to deliver throughout the sub-continent.(Ranade, 1906, p.93)

The theory of dependent imperial economy could be a precursor to 20th century dependency theory. Dependency theory emerged in the mid-20th century with Raul Prebisch, Hans Singer and Paul Baran. They 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. Britain forced free trade onto India).(Prebisch, 1950; Singer, 1975; Baran, 1957) Likewise, Indian Economics maintained that India was becoming more impoverished while Britain became richer. 20th century dependency theory was a response to modernization theory according to which societies progress through similar stages. The Singer-Prebisch thesis, one of the main models in dependency theory, rejects that 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. Similarly, Indian Economics were responding to the dominant reading of global history where Europe was the first to progress and to the comparative advantage model that prescribed agricultural production to the East, arguing that India had its own history and were capable of progress and industrialization sooner than the European thinking stipulated.

The re-reading of Indian history and the uncovering of dependence in India enabled, in my view, Indian Economics to re-imagine the global political economy of development. Indian Economics reconstructed a universal idea of development, theorizing that global industrialization 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 industrialized countries). Previous theories associated with Classical Political Economy such as Ricardo were Eurocentric, justifying a zero-sum game worldview that enriched Europe while impoverishing the rest of the world.

Ricardo may seem to have thought about a global framework of progress. The comparative advantage was first formulated by Robert Torrens, then further elaborated by Ricardo. J.S. Mill also analysed the theory, arguing for its many benefits.(Mill, 1848, 387-390) Asia was considered to have a comparative advantage in agricultural production, whereas Europe had a comparative advantage in manufacturing. Ricardo's model envisaged and ultimately forecasted the world he observed: the West as industrialized and the East as agricultural. "England may be so circumstanced, that to produce the cloth may require the labour of 100 men for one year; and if she attempted to make the wine, it might require the labour of 120 men for the same time. England would therefore find it in her interest to import wine, and purchase it by the exportation of cloth."(Ricardo, 1817, p.135) In sum, the model is based on the premise that countries have different natural comparative advantages.

However, Ranade claimed, the comparative models of trade advocated an international division of labor that kept the rich countries rich and the poor countries poor.(Ranade, 1906, pp.27, 388, 411) If "economically backward races must submit to such an arrangement, [...] it is fairly open to question whether there is any such inevitably necessity which justifies a line of separation, which has a tendency to accentuate natural deficiencies, and make them a source of permanent weakness."(Ranade, 1906, p.26) India's comparative advantage in producing raw cotton, for example, would not yield the benefits Ricardo's model predicted because profits from the prescribed industrial production in the West were much higher than the profits from agricultural production prescribed in Asia. The law of diminishing returns in agricultural production meant that India remained capital scarce and made industrialization unlikely in at least the near future.(Ranade, 1906, p.27) Ranade used a comparative analysis of imperial policies in British North America, Dutch Java, in today's Indonesia, and India to prove his point.(Ranade, 1906, pp.338, 411; Goswami, 2004, p.211) While Ranade found that regressive Indian imperial policies had caused deindustrialization, British North America and Dutch Java had been allowed to industrialize and hence harness progress.

I find that Ranade's critique uncovered the Eurocentrism present in these existing models or theories of development associated with European political economists such as Ricardo. Other secondary literature agrees that these development theories are Eurocentric.(Mehmet, 2002; Chang, 2002) Indian Economics was able to critique the model because its protagonists had wider discursive possibilities. The Indian protagonists could not

imagine a world without an industrialized Britain, but they could imagine a global political economy where both Britain and India were industrialized. As nationalists, the Indian economists desired an industrialized India, justified through the 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 industrialization as Britain. I find then that Indian Economics' idea of development is more universal than those associated with Classical Political Economy, e.g. Ricardo and J.S. Mill, or List.

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." (Ranade, 1906, p.176, see also, 1902, p.148) Naoroji urged India to be "restore[d] it to its former health." (Naoroji, 1887, p.36) Dutt asserted that India should return to its equilibrium when India was a global supplier of goods. (Dutt, 1902b, pp.92, 202, 1897, p.40) Naoroji, as well as Dutt and Ranade, 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." (Naoroji, 1901, p.365)

Indian Economics argued that India's return to a global exporter of manufactured goods 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 industrialize. (Dutt, 1902b, p.263, 1902a, p.82; Naoroji, 1887, pp.354, 516, 1901, pp.125, 216, 338) 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. (Naoroji, 1887, p.101) As Mill wrote, "it may be said without exaggeration that the great extent and rapid increase of international trade, in being the principal guarantee of the peace of the world, is the great permanent security for the uninterrupted progress of the ideas, the institutions, and the character of the human race." (Mill, 1848, p.390) Note here that one of the prescribed textbooks during Naoroji's degree at Elphinstone College in Bombay was J.S. Mill's *Principles of Political Economy*. (Khodaiji, 2017) 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).(Naoroji, 1887, p.329) The increase in exchange would boost the capacity to further invest in industrial growth thanks to higher levels of capital accumulation. Indian industrialization would have beneficial outcomes to their trading partners' progress – a win-win development model.

Indian Economics' idea centres on the need for enough domestic demand to sustain industrialization 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.(Naoroji, 1901, p.49) Similar to 20th dependency theories, domestic demand had to be developed to sustain industrialization. Naoroji theorized that India's lack of production was primarily due to insufficient income – including a lack of capital to invest in new production ventures and a lack of domestic demand that would make the investment viable and profitable.(Naoroji, 1887, pp.42–45) Indian Economics maintained that domestic demand could be developed through increased employment in the industrial sector, which had a higher potential to employ larger proportions of the population and would raise average income thanks to increasing returns (rather than the overcrowded and lower paying agricultural sector dictated by decreasing returns).

Contextualizing these theories, recent scholarship identifies the lack of demand as the major cause of why India did not industrialize. 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.(Washbrook, 2012, p.64) Perhaps what was really necessary was a social revolution to restructure demand, which would not have been allowed by the imperial rule. Indian Economics had already realized the need for more demand in India.

The idea that universal industrialization 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.(Wendler, 2014, p.245) As cited by Naoroji, Macaulay asserted that “to trade with civilized man is infinitely more profitable than to govern savages.”(Naoroji, 1887, pp.42–45) Additionally, Italian city states in the 16th century also constructed an idea of progress within a positive-sum game and that society could always get better.(Jomo Kwame S. and Reinert,

2005) Indian Economics reinstated the idea that global progress was mutually beneficial for all parties involved. Interestingly, similar ideas emerged in China in the 1920s, after the first generation of Indian economists had passed away. For instance, 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.(Sun, 1920) Although no connection has been found between Sun and the Indian economists, Sun saw that Chinese, like the Indian economists saw Indian, development would create a bigger market for surplus capital and goods from the West. In sum, the late 19th century Indian economists, in my view, are taking part in a global debate around the benefits of universal industrialization that existed before and after the first generation of Indian economists passed away.

The idea of universal development in Indian Economics does raise a couple of questions. Although there is little discussion in the writings of Indian Economics on how to boost Indian domestic demand to sustain its industrialization, Ranade discussed the need to develop a middle-class by incentivizing production in goods catering to the middle classes and not the upper classes.(e.g. (Ranade, 1906, p.24) This, argued Ranade, would sustain industrialization. I could also extrapolate that Dutt was theorizing 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, 1902b, p.179, 1901, pp.3, 58) 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.

Moreover, if indeed Indian industrialization 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. 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.(Telang, 1916b, pp.36–37) International competition therefore necessitated a diversified economy. Second, perhaps the Indian economists assumed that India would recapture its former dominant and prosperous position in the global market, and if successful, then India would be

the most competitive. Overall, however, global economic competition was not thoroughly dealt with in Indian Economics.

The 19th Indian win-win model of development requires a focus on both the national and international spheres. However, there is a tendency in economics and political economy to view a nationalist focus as opposite to an international outlook that often assumes universalist processes across regions. 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.(List, 1856; Helleiner, 2002, 2015) Universalism, or the argument for universalist processes of development, places the individual at the centre of society, instead of the nation, and assumes that all countries progress through the same stages.(see e.g. (Reinert et al., 2016, p.213) The purpose of economic nationalism is to maximize 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 and the same recipe for development regardless of context. Is the Indian win-win model, therefore, at odds with the dominant distinction between the local versus the international, the national versus the universal? In my view, the model is not contradictory in this way because it was able to combine nationalism with universalism.

Indian Economics theorize 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 by Dutt:

The influence of civilization 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 civilization.(Dutt, 1891, p.810)

In late 19th century India, imperialism was not bringing the necessary amounts of progressive forces. Indian Economics therefore conceptualized 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.

Chandra's seminal work on Indian Economics was one of the first to formally label it as economic nationalism.(Chandra, 1966) Recent scholarship has also found a strong resemblance between the works of List's *National System of Political Economy*, Giuseppe Mazzini (an Italian politician), Otto von Bismarck (a Prussian statesman), and Indian Economics.(Chatterjee, 1993; Goswami, 2004; Singh, 1975; Ganguli, 1977; Bach, 2018)

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 invisible and different, rendering Indians simultaneously absent and present.(Young, 1990; Luke, 1995; Bhabha, 2013) The imperial rulers had to simultaneously make Indians different, therefore present, to legitimize the control over its people and resources – see civilizing mission above – and invisible to justify the extractive nature of imperialism. Analyzed within this context, it seems obvious why Indian Economics chose to accentuate the difference in their discourse: to make India present Indian Economics demonstrated India's difference. Indian Economics discourse persuaded imperial rulers to concentrate on the presence of Indians by advocating for a distinct economic thinking.

Indian Economics was a discourse at the margins 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 in many different societies. 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.(Helleiner, 2002, pp.307–308)

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. However, the consensus is often that either the economy is analyzed through different stages of historical development, e.g. Smith identified "stages of improvement" most often associated with Classical Political Economy,(Smith, 1776, p.187) or the system is analyzed from a nationalist perspective such as List did, which brings out the specificities of individual economies in a given period.(Reinert et al., 2016, p.213) My analysis shows that Ranade and

Dutt were merging nationalism and universalist views on development by using theories from both approaches.

The so-called nationalist approach was not constructed in a vacuum. Meaning making constrain discursive practices within certain limits. Both List and Indian Economics were addressing followers of Classical Political Economy and universalism and needed to use the same discursive practices to increase their chances of being listened to, understood and of persuading other interlocutors to re-think and re-articulate the dominant discourse. Meaning is created through dialog (whether verbally or between texts), leading to traces of existing theories, even if criticized, in the newer discourses. The discursive resources available were pre-established before List's national system and even longer before Indian Economics. There is a canonization of ideas and discursive practices. Canonization "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." (Brown, 1994, p.84) As a result, it is far from straight forward to distinguish between different schools of thought and views on development. Universalism – a stagist theory of progress and development – is not necessarily incompatible with a nationalist approach.

Unfortunately, simplification entails distortion. (Tabb, 1999) List's economic thinking is found to be more similar to classical liberal ideas associated with Classical Political Economy and particularly Smith. (Watson, 2012, pp.463–464; Harlen, 1999) Similarly, Helleiner finds a misreading of List's work. (Helleiner, 2002) 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. (Ranade, 1906, pp.8–9) 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. (Helleiner, 2002, p.235)

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. (Heilperin, 1960, p.17; Helleiner, 2002, p.308; Koffman, 1990) By the late 20th century, economic nationalism had become tied to the mercantilist doctrines of the 17th and 19th centuries, unlike List's nor

Indian Economics' definition of economic nationalism.(Gilpin, 2001, p.14, see also 31)
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.(Shulman, 2000; Abdelal, 2001, p.19; Crane, 1998, p.55) 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. Economic policy prescriptions simply change to fit the new economic landscape such as globalization along a nationalist agenda to increase power, prestige and wealth.(Shulman, 2000; Crane, 1998; Pickel, 2003) 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.(Ranade, 1906, p.20)

Context dictates policy prescriptions. Naoroji's, and Indian Economics', goal was to improve the "material and moral condition of India,"(Naoroji, 1887, p.502) because a government should always implement measures that increase the wellbeing of its people.(Naoroji, 1901, p.286) 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.(Dutt, 1901) 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.(Ranade, 1902)

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.(List, 1856, p.xii)

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." (List, 1856, p.xii) Matile claimed that List's "system offers a mode of reconciling theory with practices." (List, 1856, p.xii) 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.

As discussed, meaning making is produced within specific contexts. Naturally, then, the configuration of economic nationalism in Indian Economics includes two distinct elements: development should be collective and equal, and the long-run goal is a universal society of free trade. First, the nation should be prioritized over any individual. It was important to implement a development plan that catered to the wellbeing of the collective and minimized 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. (Ranade, 1906, p.18)

The need for a strong central order with a balanced and united power (Ranade, 1900, pp.58, 62, 93, 95–96) was paramount in India because there were centrifugal tendencies (Ranade, 1906, pp.24, 29, 58) and "separatist elements" (Ranade, 1906, p.92) that damaged the prospects for development. 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. (Ranade, 1902, pp.103–104) 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.

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 the tax burden – e.g. Ranade advocated for a decrease in land and salt taxes, which disproportionately burdened the poorer classes.(Ranade, 1902, p.749) Moreover, as noted above, Ranade and Dutt promoted rapid industrialization to be realized 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. Economists, Ranade argued, should not focus on the agent's interests but the collective defence, wellbeing, social education and discipline, and the agents' duties. Additionally, Iyer criticized Smith for ignoring the fact that man cultivates sympathy with his neighbours, nation and humanity, much like the German Historical School and List.(Iyer, 1903, pp.130–131) (It could be argued that Iyer misread Smith or failed to read his earlier work on *Moral Sentiments*.(Smith, 1853 [1759]) 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.”(Chandra, 1966, p.732)

Still, Indian Economics was not socialist. For instance, Joshi wrote in 1890 that his policy plan was not socialistic.(Joshi, 1912, p.819, see also; Ranade, 1906, pp.89–90, 169, 190, 193–194) Indian Economics simply saw the need for state intervention to transition India from a backward agrarian economy to industrial capitalism. 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. For instance, 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. 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.(Ranade, 1906, pp.193–208) 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.(Joshi, 1912) Finally, the Indian economists were also against the state monopoly of land and wished for it to be privatized so that the landlords did not have to pay extortionate government rents.(Chandra, 1966, p.721)

The second element of Indian Economics' economic nationalism was the long run liberal perspective. 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.”(Ranade, 1906, p.15) 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 theorized that monopolies – e.g. the several European East Indian Companies – had triggered scholars such as Thomas Hobbes and John Locke to criticize Mercantilists, who argued for an overly strong state, and conceptualize 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. (Ranade, 1906, pp.15–16) Indian Economics saw the need for *temporary* state intervention 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." (List, 1856, p.142) The universal society of the future included free trade among all industrialized nations of the West. Ricardo's trade theory also aimed to maximize 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 civilization, ensuring a peaceful cosmopolitan global society. (Helleiner, 2002, p.313) 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* and *where* the universal society of free trade and industrialization should and could be realized.

IV. CONCLUSION

Indian Economics' idea of universal development should be given its due agency and credit in the history of economics. Indian Economics were able to explain India's poor economy 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. India was regressing not due to some inherent Indian weaknesses, but due to imperial policies. Indian Economics could then reject comparative advantage for being intrinsically regressive by highlighting India's progressive past. Finally, Indian Economics replaced the unequal comparative advantage theory with a win-win global framework in which all countries could and should industrialize.

My analysis illustrates that a nuanced account of the differences between various interlocutors can uncover discursive innovation and potentially useful new ways of viewing development. Fast forward to our current context of backlash against globalization and return to nationalist politics, the Indian win-win model of development could remind us that nationalism is not at odds with more universalist, international goals of development. Rather, we can experience and see both universal ways generally applicable to all societies and specific or unique characteristics applicable to certain time periods and spaces.

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