

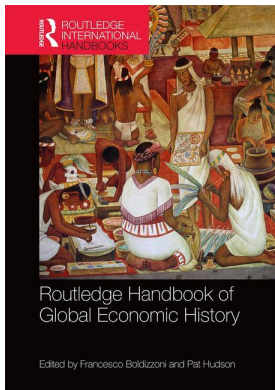
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THE HISTORY OF INDIAN ECONOMIC HISTORY

Prasannan Parthasarathi

Since the late nineteenth century India has been a major center for research and writing in economic history. Early pioneers included Mahadev Govind Ranade and Romesh Chunder Dutt, who turned to history in order to both critique British rule in India and to construct an economics that was appropriate for Indian conditions. In the early decades of the twentieth century a number of writers built upon the foundation established by these figures and combined a concern for contemporary problems of the Indian economy with an interest in historical issues. From the 1930s, however, economic history went into decline as the Keynesian revolution gave economists other sources of inspiration to create an Indian economics. In faculties of economics, the study and teaching of economic history was of secondary importance for a number of decades.

In the post-war period economic history revived. From the 1950s the growing influence of Marxism led economists to history and historians to the economy. Inspired by Marxian thought an impressive body of scholarship in economic history emerged, including D. D. Kosambi's writings on ancient India, Irfan Habib's studies of the Mughal Empire, and Amiya Bagchi's analyses of the colonial economy. Around the same time there was a revival of economic history at the great powerhouse of economics teaching and research in post-independence India, the Delhi School of Economics. This represented to some extent a resurgence of economic history within the ranks of economists, which was institutionalized with the founding of the *Indian Economic and Social History Review* and the establishment of a number of positions in economic history at the Delhi School.

The flourishing state of economic history in India in the 1960s and 1970s represented a confluence of different forces. Similarly, the decline of economic history from its highpoint of those years is due to multiple reasons, amongst them broad changes in both historical practice and economic thinking. The decline in Marxism and the linguistic and poststructural turns led to a shift from economic to cultural history. The rise of neoliberalism in economics faculties, including the Delhi School, led to a turning away from economic history, which came to be seen as neither relevant nor necessary for the contextualization of India's development problems.

Nationalism and economic history

Mahadev Govind Ranade is widely acknowledged to be the father of Indian nationalist economics, or Indian political economy. He was born in western India in 1842 and was an

instructor in economics at Elphinstone College for a decade and a half where he taught the writings of Adam Smith and John Stuart Mill. Mill was the main figure on the syllabus, but to give his students a “wider perspective of political economy,” he included Malthus, Bastiat, Ramsay, McCulloch, and Senior (Ganguli 1977: 164).

Indian nationalist economics had two goals. The first was the well-known critique of the economic impact of British rule in India. The second goal, less recognized but no less important, was to reject the universalism of economic theory and to construct a framework which captured the unique features of the Indian economy. As Ranade (1920: 2) put it in his seminal essay, “Indian Political Economy,” delivered as a lecture at the Deccan College in Pune in 1892,

The same teachers and statesmen, who warn us against certain tendencies in our political aspirations . . . 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 may be the stage of national advance. Ethnical, social, juristic, ethical, or economical differences in the environments are not regarded as having any influence in modifying the practical application of these truths.

Indian political economy was an economics rooted in the social, cultural, and political conditions of India. One inspiration for it was John Stuart Mill, who rejected the universal claims of political economy. Mill wrote in his autobiography that his teachers tried “to construct a *permanent* fabric out of transitory materials; that they took for granted the immutability of arrangements of society, many of which are in their nature *fluctuating or progressive*; and enunciate, with as little qualification as if they were universal and absolute truths” (cited in Ganguli 1977: 69). Such statements found an appreciative audience among Indians of the late nineteenth century.

The more important inspiration, however, was the German Historical School, which gave Indian economics a firm rooting in the study of the past. (Ranade [1920: 20] wrote, “The German school regards that universalism and perpetualism in economic doctrine are both unscientific and untrue.”) Between these two influences, the Germans and Mill, B. N. Ganguli gives primacy to the German Historical School but reconciles them in the following terms: “Parts of the British economic theory, which had assimilated some of the contentions of the continental thinkers, were readily acclaimed by Indians. But where assimilation was doubtful and the resulting ‘compromise’ or rather ‘balance,’ uncertain, there was preference for the conclusions of the Historical School” (Ganguli 1977: 76).

Among the German economists, Friedrich List was to be the most influential. According to Ranade, “It was the writings of List, which gave the fullest expression to the rebellion against the orthodox creed . . . The function of the state is to help those influences which tend to secure national progress through the several states of growth and adopt free trade or protection, as circumstances may require” (cited in Ganguli 1977: 78–9). List was representative of a larger historical method in economic analysis. Again, to quote Ranade, “The method to be followed is not the deductive but the historical method, which takes account of the past in its forecast of the future; and relativity, and not absoluteness, characterizes the conclusions of economical science” (Ranade 1920: 20–1).

Romesh Chunder Dutt’s two-volume *Economic History of India* was the most important historical work produced in this nationalist historical tradition. Dutt was a polymath, one of the first Indian entrants into the Indian Civil Service, the elite administrative cadre that governed British India. He resigned from the government after twenty-six years and devoted

himself to politics and writing. He was active in the Indian National Congress and he produced novels, several historical works, translations from Sanskrit, as well as important political tracts. His two-volume study of the Indian economy under British rule established the contours of a nationalist economic history which endures even today. One commentator writes of the first volume, "In several respects this book would rank as the most valuable of books on India under the British rule" (Gopalakrishnan 1959: 147–8).

Agriculture is given pride of place in both volumes, perhaps not surprising given the importance of the land revenue for the British Indian state. Much attention is given to the formation of the land revenue systems in the different provinces of British India and their revisions. Industry, internal and external trade, finance, and railways and irrigation are all explored. The Listian influence is made explicit. After quoting a long passage from *The National System of Political Economy* in which List discussed the economic relationship between Britain and India, Dutt concludes, "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 . . . [I]n 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 1960: 215–16).

The commitment to a distinct Indian political economy continued into the early decades of the twentieth century, as did a commitment to a historical approach. As late as 1957 the economics department at the University of Madras was still called the "Department of Indian Economics." In the early twentieth century a number of the leading economists combined research in historical topics along with studies of contemporary Indian problems. P. J. Thomas, who became Professor of Economics at Madras University in 1927, wrote his Oxford doctoral thesis on British trade with India in the late seventeenth and eighteenth centuries, the now classic *Mercantilism and the East India Trade* (1926). He also produced, along with B. Nataraja Pillai (1933), a seminal study of the depression of the 1820s–1840s in South India. The rest of his oeuvre, however, was devoted to analyses of the Indian economy of the 1930s and 1940s and he served on the Provincial Banking Enquiry Committee and the Agricultural Economic Council, among other government bodies. Thomas took leave from the university in 1943 to take up a position in the Government of India, eventually resigning from his professorship three years later (Pillay 1957: 161–3).

Similarly, the publications of Radhakamal Mukerjee, who began his career as a lecturer in the department of economics at the University of Calcutta and then served as professor and head of the department of economics and sociology at Lucknow University, ranged from economic history to contemporary village studies. He published *The Economic History of India: 1600–1800* in 1939. Earlier in his career he was part of a sociological investigation in the Madras Presidency of Dravidian village communities and published several works on the foundations and postulates of Indian economics, housing and slums in urban India, comparative economics and demography (University of Calcutta 1920?: 65–6; Ghosh 1948: 44–5). Mukerjee is best remembered today as a founder of the Lucknow School of Sociology (Joshi 1986) and in his long scholarly career, he was committed to both history and serious fieldwork. In his autobiography, he wrote, "In the early years of my own teaching I deeply felt the necessity of relating economic theories and doctrines not only to economic history but also to the concrete social and economic environment" (Mukherjee 1997: 119).

Most famous of all these mid-twentieth-century figures is D. R. Gadgil, who was a major presence in Indian economics from the 1920s to the 1970s. His first book, *The Industrial Evolution of India in Recent Times* (1924), was submitted as a MLitt thesis at Cambridge University. Ostensibly, it was a study of industry from 1860 to 1914 (subsequent editions brought the story

forward into the 1920s and 1930s), but it was in reality a broad economic history of the period. The work was a critique of British rule and in the later editions this critique, particularly of British laissez-faire, was made more explicit (Datta 1978: 51). (Gadgil provided an introduction to a Government of India reprint of Romesh Dutt's *Economic History of India*.) He later undertook important investigations on the impact of the Second World War on the Indian economy, industrial labor and wages, the urban economy of western India, and planning and development in post-independence India. Gadgil was also a staunch proponent of cooperatives for development and this, along with other positions sympathetic to the plight of laborers and peasants, led S. A. Dange, Chairman of the Communist Party of India, to produce a pamphlet in appreciation of Gadgil after the economist's death in 1971 (Dange 1971).¹

The economic histories of India produced by Indian nationalism did not go unchallenged by the defenders of British rule. Among the most enduring defenses are the writings of W. H. Moreland (1920, 1923), the former civil servant turned historian, who concentrated his energies on the economics of the Mughal Empire. In Moreland's interpretation of Mughal rule and its economic impact, the problems of British India, including low standards of living and widespread poverty, were portrayed as long-standing features of Indian political economy. Others defended British rule along similar lines and attributed Indian economic problems to the deficiencies of culture and society, the most prominent being Vera Anstey, who was located not in India but at the London School of Economics.

From the 1930s the historical turn in Indian economics went into decline and a new generation of economists focused on the contemporary problems of India with little appeal to history and little interest in the past. The independence of India from British rule in 1947 reinforced these choices and the finest economic thinkers in the country turned their minds to the problems of development and planning, which preoccupied both academic and government experts in the 1950s. Perhaps no figure better symbolizes the new practices of Indian economists than V. K. R. V. Rao. Rao was born in South India in 1908. He was only seven years younger than D. R. Gadgil, but of a different generation in several important respects. Like Gadgil, he studied economics at Cambridge, where he was a student of John Maynard Keynes. Rao's early work was on the national income of India in the 1920s and 1930s. His subsequent research focused on macroeconomics, public finance, education, and development planning, as well as a variety of other topics. Unlike his predecessors, however, Rao did not venture into economic history (Rao 2002).

Why did Rao turn away from history, which had been a hallmark of Indian political economy since the late nineteenth century? In his "Rise and Decline of Development Economics," Albert Hirschman credits the Keynesian Revolution for creating the intellectual space to make development economics possible. He writes,

Development economics took advantage of the unprecedented discredit orthodox economics had fallen into as a result of the depression of the thirties and of the equally unprecedented success of an attack on orthodoxy from within the economics 'establishment.' I am talking of course about the Keynesian Revolution of the thirties . . . The Keynesian step from one to two economics was crucial: the ice of mono-economics had been broken and the idea that there might be yet another economics had instant credibility.

(Hirschman 1981: 6)

Just as the Keynesian Revolution made possible an economics of development, it created the economic justification to develop an approach to the Indian economy, an Indian

economics, which did not need recourse to history. On theoretical grounds alone, as Keynes showed, there were compelling arguments for multiple approaches to the study of economics. It was this door, which Keynes created, that Rao and his successors entered, leaving history behind. It would not be until the 1960s that Indian economists would seriously reckon with economic history again.

Marxism

While economists, especially those of a more mainstream persuasion, abandoned economic history in the 1940s and 1950s, the growing influence of Marxism, most strikingly among historians, infused economic history with new life and energy. Even in the early decades of the twentieth century, historians of India had dealt with economic questions, such as A. Appadorai's monumental two-volume study of economic conditions in medieval South India (Appadorai 1936). In the 1950s there were figures such as N. K. Sinha in Bengal, who wrote a path-breaking three-volume economic history of Bengal from the mid-eighteenth to the mid-nineteenth centuries (Sinha 1956–70). However, the bulk of historical research focused on political history and the state.

A Marxian interpretation of the Indian past emerged after Indian independence in 1947, displacing the high politics that had reigned supreme for several decades. According to Sumit Sarkar, the change in historical sensibilities emerged from the

conjuncture of the 1950s and 1960s, marked by a strong and apparently growing Left presence in Indian political and intellectual life . . . It was not mainstream British or American historiography, not even writings on South Asian themes, but a journal like *Past and Present*, the “transition debate”, and the work of historians like Hill, Hobsbawm and Thompson . . . that appeared most stimulating to Indian scholars exploring new ways of looking at history.

(Sarkar 1997: 37)

The injection of Marxism into history writing in India opened up whole new worlds of possibilities. One of these was economic history, which flourished in major history departments of India from the 1960s. Many of the contributions to Indian economic history made in those decades were closely connected to research in social history, which too was energized by the Marxian turn.

The impact of Marxism and its contribution to a deeper engagement with economic life was felt across the long span of the Indian past. The study of ancient India was reinvigorated under the influence of D. D. Kosambi and his highly original use of Marxism as a starting point for historical inquiry. As Romila Thapar writes,

The outstanding exponent of the Marxist interpretation of Indian history in all its complexity and the one, who ushered in a paradigm shift in the study of ancient Indian history, was D. D. Kosambi. The paradigm shift was the move away from colonial and nationalist frameworks and the centrality of dynastic history to a new framework integrating social and economic history and relating the cultural dimensions of the past to these investigations . . . For him history was the presentation in chronological order of successive developments in the means and relations of production.

(Thapar 2011: 553–4)

Kosambi also influenced scholarship in medieval history with his arguments for the utility of the concept of feudalism in the study of India, which in his usage spanned the classical and medieval periods (Kosambi 2002). R. S. Sharma developed these ideas further (Sharma 1965). The debate on Indian feudalism sparked a major comparative exchange in the *Journal of Peasant Studies* on the appropriateness of the category for understanding societies outside Europe. Harbans Mukhia initiated the exchange with his essay, “Was There Feudalism in Indian History?” (Byres and Mukhia 1985).

The influence of Marxism was felt elsewhere in the study of medieval India, perhaps most strikingly in studies of the Mughal Empire where the focus shifted from the personalities of the ruling emperors to material conditions. Investigations were undertaken on the agrarian order, technology, commerce, banking, feudalism, and the potentialities of capitalism. Irfan Habib was the giant who loomed over the field of Mughal studies and his great work, the *Agrarian System of Mughal India*, was published in 1963. His structuralist interpretation of the empire and his articulation of lines of class conflict to explain the crisis of the empire and its decline took Mughal history by storm.²

Modern history also came under the Marxian rethink. While the study of the nationalist movement continued to be of great importance for historians of modern India, the rise of social history led to a greater emphasis on material conditions and, therefore, economic life. Sumit Sarkar sees the development of economic history as one of the major areas of advance in the study of the modern period in India. This was furthered by the fuller development of the nationalist paradigm, which “enriched through more sophisticated tools and empirical detail the basic critique of colonial policies and structures that had been initiated by the first generation of nationalist economists and developed by Marxists like R. P. Dutt” (Sarkar 1997: 39).

Modern economic and social historians tackled a broad range of issues, including demography, external as well as internal trade, finance, banking and currency, and national income estimation. However, the economic and social history of modern India centered on agriculture and industry, which is not surprising given that these sectors loomed large in policy discussions on economic development after independence. Nevertheless, it is somewhat surprising that important issues such as India’s place in the global order, which had been a long-standing concern for nationalist economic historians of the late nineteenth and early twentieth centuries, received so little attention from these later historians. Dadhabai Naoroji, Romesh Chunder Dutt, and others were deeply concerned with the drain of wealth from India to Britain, which they saw as operating through the international payments and settlements system. G. Balachandran sees the neglect of this topic as due to the “canonical status of the ‘nationalist economists’ who wrote on the subject . . . the tightening of India’s external economic controls since the 1950s; and the complicit evolution of disciplinary regimes in both mainstream economics and history” (Balachandran 2003: 1). The last point, on the divergent paths of history and economics, is one to which this chapter returns.

While the study of India’s place in the world economy has been neglected for the modern period, it has flourished with respect to the period between 1500 and 1800. These centuries were traditionally considered to form part of the medieval history of India, but they are now increasingly considered to mark the flowering of an early modernity, manifest in economic, as well as political, social, and cultural life. In the 1960s and 1970s Indian economic historians, most notably Ashin Das Gupta, produced major studies of the subcontinent’s maritime connections and laid the foundation for the new field of Indian Ocean studies (Das Gupta 2001).

Despite these exciting developments in pre-colonial trade history, when it came to the colonial period, agriculture and industry ruled the day. The agrarian turn was part of a larger

“return of the peasant to South Asian history,” in Eric Stokes’s evocative language and from the 1960s enormous numbers of regional and local histories of agriculture were produced (Stokes 1978). These ranged from investigations of the British revenue settlements, a well-worn path of research, to the land market in colonial India, class relations in the countryside, to studies of famine. The richness of this scholarship defies easy summary and the continued value and wider applicability of many of these studies cannot be overstated.³

The most important Marxian debate in the agrarian history of India has come to be known as the “mode of production” debate. It took place in the 1960s and 1970s with many of the major contributions published in the *Economic and Political Weekly*, a remarkable publication which combined news, commentary, and scholarly articles, and has no counterpart outside India.⁴ The debate began in the early 1960s between economists who were attempting to understand the nature of capitalist production relations in contemporary Indian agriculture. The debate widened quickly, however, to ask if the contemporary agrarian order could even be labeled capitalist, with feudalism and semi-feudalism proposed as alternatives. The debate also broadened its temporal remit and explored commercial relations in the countryside during the period of British rule as well as the extent to which the end of British rule represented a break in the development of agriculture. In terms of the historical dimension of the debate, the contributions of Jairus Banaji, especially his “Capitalist Domination and the Small Peasantry: Deccan Districts in the Late Nineteenth Century,” were to be of the greatest importance.⁵ Although the debate was at times highly technical, and occasionally appeared to be overly concerned with semantics, its impact was felt widely in the writing of Indian agrarian history.

The bulk of the participants in the mode of production debate focused on contemporary India, which reflected the larger disconnect – even within Marxian economics – between economics and history which, as we have seen, emerged in the 1930s. Nevertheless, the vigor with which economists embraced the historical dimensions is reminiscent of Indian economic thinking in the early decades of the twentieth century, at the time when the discipline was searching for an Indian political economy. This may be attributed to the historicism of Marxism, but, as we shall see, in the 1960s there was to some extent a rediscovery of history by Indian economists.

Industrialization and deindustrialization were the second major area of research within an economic and social history inspired by the Marxian turn. The deindustrialization of nineteenth-century Indian regions was a key plank of the nationalist critique of British rule and figured in Romesh Chunder Dutt’s economic history of India. Amiya Bagchi’s study of manufacturing employment in nineteenth-century Bihar may be the most important modern study of deindustrialization and sparked a renewed discussion and debate which drew participants from India as well as around the world.

Bagchi is also the author of what may be the most important study of industrialization in twentieth-century India, *Private Investment in India*. While the work is influenced by Keynesian macroeconomics, with its emphasis on demand as a crucial limit on private investment in the early decades of the twentieth century, its larger thesis is that “before the First World War, it was the governmental policy of free trade, and after the war it was the general depression in the capitalist system combined with the halting and piecemeal policy of tariff protection adopted by the Government of India, that limited the rate of investment in modern industry” (Bagchi 1972: 19). With this argument Bagchi took on a long line of thinkers who had argued that the problem of slow Indian growth and development was due to supply-side factors such as lack of capital, entrepreneurship or Indian values.

Bagchi combined his historical interests with research on contemporary issues. Both interests were brought together in his *Political Economy of Underdevelopment* (1982), which

ranged beyond India to include discussions of Latin America, Indonesia, and China, as well as analyzing several problems in economic development, including land reform, labor, capital and the state, population growth, and planning. Bagchi's work investigated some of the classic themes in Indian economic history as inaugurated by the nationalists of the late nineteenth and early twentieth centuries, including deindustrialization, the constrained industrialization of British India, the extraction of resources through agricultural taxation, and the drain of colonial rule. Bagchi (1987, 1989, 1997) also produced seminal works on the financial history of British India.

The overlap between nationalist economic history and Marxian economic history illustrates what Sumit Sarkar has called a "Left nationalist–Marxist consensus." He wrote, "As the example of economic history indicates, there was considerable scope in modern Indian history for a kind of Left nationalist–Marxist consensus, a rough counterpart perhaps in historiography to the Nehruvian consensus which, at least in retrospect, seems to have characterized middle-class Indian intellectual life during those decades" (Sarkar 1997: 39). In this consensus the class struggle was subordinated to a critique of colonialism, which was seen as of greater consequence for understanding the evolution of the modern Indian economy.⁶

This consensus, along with its admixture of social and economic history, dominated major history departments in India from the 1960s. Even as late as 1997, a volume celebrating the seventy-fifth anniversary of Delhi University described the history department, which was one of the leading history departments in India, in the following terms: "Almost every member of the present Faculty has been constantly working on various aspects of socio-economic history cutting across chronological frontiers of Indian history . . . The Department has, over the years, set to achieve its objectives, viz. l'historire (*sic*) integrale: the study of 'total history' over the long (*sic*) duree" (Jain 2000: 165).

Economists re-engage with the past

While Marxism was reshaping the writing of history from the 1950s, economists at what had become the preeminent center for research and teaching of the discipline, the Delhi School of Economics, began to re-engage with the study of the past. In the closing years of the decade V. K. R. V. Rao, who established the Delhi School in 1949 and later became the Vice-Chancellor of Delhi University, invited Tapan Raychaudhuri to join the economics department, which he did in February 1959 (Raychaudhuri 2011: 274). In the early 1950s Raychaudhuri received a PhD in History from Calcutta University with a dissertation on the social history of Bengal in the Mughal period, after which he embarked upon a teaching career in Calcutta. Several years later he completed a DPhil in History at Oxford on the trade of the Dutch East India Company in South India. Upon returning to India he took up a post as the Deputy and then Acting Director of the National Archives of India.

It is not clear why Rao, who as previously noted showed little interest in history in his own career as an economist, asked a historian to join the economics department.⁷ It is clearer, however, why Rao had to turn to someone trained as a historian and not as an economist: the decline of economic history within economics had meant that very few – if any – Indian economists had been trained in that field in recent decades. Raychaudhuri describes feeling lost in the midst of "very high-powered theoretical economics." This period was perhaps the heyday of the Delhi School as it boasted in its economics faculty K. N. Raj, Amartya Sen, Sukhamoy Chakravarty and Jagdish Bhagwati. Raychaudhuri writes in his memoir that he realized that he had made "a mistake in coming." At the same time, the colleagues were extremely accommodating. In 1964 a chair in economic history was created, to which he was

appointed, and the department took a decision to specialize in economic history and economic development. This allowed for the addition of a reader in economic history, to which post Dharma Kumar was appointed, and the establishment of a visiting professorship in economic history, which drew top economic historians from the UK (including M. M. Postan, John Habakkuk and Peter Mathias), the United States, Japan, and the USSR. According to Raychaudhuri, “My colleagues were aware of my predicament, the professional isolation from which I suffered, and did their best to make me feel at home” (Raychaudhuri 2011: 278–9). With the growing presence of economic history at the school other members of the faculty were encouraged to venture into the field. Amartya Sen, for example, undertook studies of industrialization in India in the second half of the nineteenth century.⁸

In 1963 Tapan Raychaudhuri and Dharma Kumar launched the *Indian Economic and Social History Review*, which remains the leading journal of Indian economic history. The initial editorial committee included R. S. Sharma, Nurul Hasan, Ranajit Guha, K. N. Raj, M. N. Srinivas, Amartya Sen, Irfan Habib, and Dharma Kumar with Tapan Raychaudhuri as the managing editor. The journal, as suggested by the name and this group, had an interest in economic questions but was broadly defined to include the social and political dimensions. Over time cultural questions came increasingly under the purview of the journal as well. This broad approach also characterized the articles. The first issue of the journal contained essays on the nature of land rights in Mughal India, the pattern of public investment in early twentieth-century India, and two pieces on the nationalist movement and the agrarian economy.

Dharma Kumar and Tapan Raychaudhuri teamed up again to produce the *Cambridge Economic History of India*. The former (with the assistance of Meghnad Desai on the statistical parts), edited the second volume, which covered the period from the mid-eighteenth century to the present. The latter, along with Irfan Habib, edited the first volume, which ranged from 1200 to 1750. It was an unlikely editorial team. Tapan Raychaudhuri was a staunch nationalist, who had been jailed in 1942 during the Quit India movement, and Habib was a leading Marxist historian. Dharma Kumar, in the meantime, had made her name with an important critique of the nationalist narrative, arguing in her *Land and Caste in South India* (1965) that landless labor in South India was not a creation of British rule but predated it. The second volume of the *Cambridge Economic History* did not subscribe to the nationalist line and was criticized widely for this (Habib 1985).

In the 1970s economic history (along with econometrics) flourished at the Delhi School.⁹ Economic history benefited from the fact that it made sense for students to remain at the school to pursue doctorates in the subject, as opposed to going to the UK or the USA (Kumar and Mookherjee 1995). From the 1960s the Delhi School produced a number of very fine economic historians, including Om Prakash, Omkar Goswami and Sanjay Subrahmanyam. Much of this work was not narrowly economic in its focus and included the social and political domains, as did the articles in the *Indian Economic and Social History Review*, and the interests and methods of the economic historians at the Delhi School shared much with historians in Delhi and elsewhere in India. While fine quantitative work emerged from the Delhi School, such as that of S. Sivasubramaniam (2000) on national income, cliometrics did not find a home, perhaps not least because of the poor quality of much Indian data.

Conclusion

In retrospect, the two-volume *Cambridge Economic History of India* marked the end of the heyday of economic history in India. While excellent work continued even after its publication

in 1982, economic history slowly lost much of its glamour. At the moment, the Delhi School of Economics has no faculty in economic history. The leading history departments in India have shifted from social and economic history to social and cultural history. From the history recounted in this chapter, the decline of economic history may be seen as the outcome of two developments.

The first is the decline of Marxism, which had been the source of the economic turn in history departments from the 1950s. Of course, historians were not narrowly focused on only economic matters and they placed them in a broader context, but the economic came to be less central with the dwindling appeal of Marxism. For some, the shift from the economic was a reaction to crude reductionism, but for many it was a slow evolution as new concerns came to the fore. The career of Harbans Mukhia may be illustrative in which a shift from Marxism came from a deepening engagement with the *Annales* and the total history of that approach.¹⁰ (This tension has already been seen in the Delhi University history department's commitment to social and economic history as well as total history.)

The second is the rise of a universal economics, or monoeconomics, within departments of economics. The search for an alternate paradigm drove the turn to history in Indian economics in the late nineteenth century. In the 1960s economic history flourished in tandem with development economics as they both sought to construct a framework that could help untangle the problems of the Indian economy. The growing influence of neoclassical economics and its universalization has eliminated the need for a historical approach in contemporary Indian economics.

Both of these developments – the decline of Marxism and the rise of neoclassical economics – are global in scope and are the latest chapter in the long interaction between Indian intellectuals and worldwide trends in thought. At the same time, domestic concerns have played a role as well. The rapid growth of the Indian economy after the late 1980s has come to be attributed to the liberalization and freeing of the economy from the command and control state system established by Jawaharlal Nehru. No matter the simple-mindedness of such an explanation, it has given sustenance to neoclassical orthodoxy.

A lesson of the history of economic history just recounted is that economic history thrives at times when heterodox thinking is given room to flourish. The decline of economic history in India may be seen as the product of the rise of orthodoxy. It remains to be seen if economic history may contribute to the emergence of new forms of heterodoxy in contemporary India or if we must await the rise of new heterodoxies in economics or in broader social science that can in turn reinvigorate economic historical inquiry.

Notes

- 1 For Gadgil's writings on cooperatives see his *Writings and Speeches of D. R. Gadgil on Cooperation* (1975).
- 2 This is how several years ago Harbans Mukhia described the impact of the book to me.
- 3 For a sense of the richness and range of agrarian history in recent decades see Chaudhuri 2008.
- 4 For a selection of key contributions to the debate see Patnaik 1990.
- 5 This essay has been reprinted in Patnaik 1990.
- 6 Amiya Bagchi confirmed this consensus in an interview, July 23, 2012.
- 7 According to Tapan Raychaudhuri, Rao had heard that he was not happy in his position at the National Archives and sought to help him with an appointment to the Delhi School. Interview with Raychaudhuri conducted on May 31, 2012.
- 8 See Sen 1965 and 1967.
- 9 Interview with Dilip Mookherjee, May 9, 2012.
- 10 See the intellectual biography of Mukhia by Rajat Datta (2008).

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