

[Survey Article]

Recent Histories of Indian Economic Thought: A Critical Survey*

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I. Introduction

The purpose of this article is to provide a critical survey of recent scholarship on the history of Indian economic thought. Some notable book-length attempts in the past are Ganguli (1977), Datta (1978) and Dasgupta (1993). My survey is based upon the following viewpoints: (i) to highlight ‘recent’ work, I have restricted my attention *primarily* to work which has been published between 2000 and 2020; (ii) since a simple criterion for ‘Indian’ economic thought is difficult, I have interpreted it as the study of the history of economic thought where *both* the object of inquiry and the inquirer are Indian *and* the inquirer’s primary affiliation is to an Indian institution;¹⁾ (iii) my sample includes books and journal articles but excludes newspaper pieces and blog posts published globally. The second viewpoint rejects the equating of Indian economic thought to the economic analysis of various aspects of the Indian economy.²⁾ Overall, these viewpoints enable both breadth and depth in my coverage.

The article is subdivided as follows. Section II engages with intellectual histories; it covers the economic thought of Dadabhai Naoroji (1825–1917), B. R. Ambedkar (1891–1956), J. C. Kumarappa (1892–1960), P. J. Thomas (1893–1965), and Krishna Bharadwaj (1935–1992). Section III covers institutional histories in brief by focusing attention on the origins of professionalization of economics in India. Section IV discusses conceptual histories, in particular, the ideas of Indian economists who closely engaged

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1) This implies that I will not be covering the 2019 book on Ajit Singh (1940–2015) by Ashwani Saith, who was then affiliated to Erasmus University Rotterdam. This viewpoint also leaves out the work of non-Indians such as Maria Bach who has recently written on the history of Indian economic thought, specifically on R. C. Dutt (1848–1909) the economic historian and M. G. Ranade (1842–1901) the so-called father of Indian economics.

2) This approach is unlike Bhagwati and Chakrabarty’s (1969) survey article for the *American Economic Review* which classifies ‘Indian economic analysis’ into planning, agriculture and foreign trade.

with the work of classical political economists and Piero Sraffa. Additionally, it outlines some elements of Indian economic thinking on development. Section V concludes the survey by making some pointed remarks on the nature of existing scholarship in Indian economic thought and outlines some possible futures.

II. Intellectual Histories

Except in the case of Bharadwaj, the rest of the economists have received book-length treatments within our timeframe. The economists are ordered in the ascending order of their birth year. Of the key texts surveyed, the ones on Naoroji and Kumarappa are biographies, and the biography should be seen as a good route to do history of economic thought (see also Coats 2004, xx).³⁾

1. Dadabhai Naoroji

Naoroji made fundamental contributions to both economic theory and measurement. The former was on the economics of imperialism while the latter had to do with national income accounting. Dinyar Patel, a historian, authored *Naoroji: Pioneer of Indian Nationalism* (Patel 2020).

The dominant view in Britain was that the colonial policy was benefitting Indians (Patel 2020, 52, 83). However, Naoroji vehemently disagreed and instead argued that India's "poverty and powerlessness" was caused by the British rule (47). Popularly, Naoroji's thesis is known as the 'drain theory'. Although the economic drain owing to (i) the outward remittances from the over-represented Britons in the civil service, (ii) a large military to meet colonial needs, and (iii) an unfavourable trade balance has been highlighted in the literature, Naoroji also spoke about a "moral drain"—owing to Indians unable to obtain administrative experience (Patel 2020, 48, 63–64). Consequently, Naoroji argued that the measurement of the drain in terms of money-flows was an underestimate. The degradation arising from colonial policy was articulated by Naoroji in his 1873 paper 'Poverty of India' thus: "The candle burns at both ends, capital going on diminishing on the one hand, and labour thereby becoming less capable on the other, to reproduce as much as before" (66).

At the 1904 Amsterdam Socialist Conference, sharing the stage with Rosa Luxemburg, Naoroji said: "The Imperialism of civilization is the Imperialism of equal rights, equal duties, and equal freedoms" (Patel 2020, 236). The domination of Indians by the British extended to the realm of economic ideas as well. Incorrectly interpreting the ideas of Adam Smith to suggest that food markets will automatically equilibrate,

3) It must be noted that the authors of these biographies are not historians of economic thought. But then, as I noted elsewhere, biographies "offer a natural space for the confluence and congregation of political economists, historians, and historians of economic thought" (Thomas 2021b, 211).

colonial policy makers and administrators “effected an attitude of sheer indifference” during famines in India (17; also 51).

“Naoroji”, writes Patel, “stressed the inability of classical economic theories to explain the financial predicament of colonial India” (Patel 2020, 65). Naoroji argued that the Britons “forgot that there is no such thing in India as the natural operation of economic laws” *because* of the economic drain (65). Irrespective of the economic drain, as I noted in my review (Thomas 2021b, 210) of Patel’s biography of Naoroji, “[t]he conclusions generated by *any* economic theory cannot be directly applied to the actual world, whether colonial, pre-colonial or post-colonial, because of the embedded power structures, notably caste system and patriarchy, in India”.

According to Naoroji, wages are determined by “the practical facts of the social resistances and frictions of people’s necessities and circumstances” and not according to the principles of classical economics (Patel 2020, 114). However, in classical economics, wages are exogenous and determined by cultural and historical factors. A close engagement with the texts of classical political economists is neither visible in Naoroji nor in Patel. One plausible reason for this misinterpretation could be owing to them equating the economics of J. S. Mill to that of classical political economy; for Mill, real wages are flexible and not customary as in Smith and Ricardo (Thomas 2021b, 210).

2. B. R. Ambedkar

The economic thought of Ambedkar is found in several articles (Jadhav 1991; Ambirajan 1999; Kumar 2020), book chapters (Chandrasekharan 2015; Omkarnath 2016) and in Jadhav’s 2015 book *Ambedkar: An Economist Extraordinaire*. Ambedkar did a PhD in Economics at Columbia University and a DSc in Economics from London School of Economics. His theses were later published as books; in addition, he has delivered 537 speeches which have significant economic content (Jadhav 2015, 5). Jadhav is very much correct to label Ambedkar a “neglected” economist while freedom fighters like G. K. Gokhale (1866–1915) and Ranade have been recognized for their contributions to economics (Jadhav 2015, 10–11). In Dasgupta’s 1993 book *A History of Indian Economic Thought*, there is not even a mention of Ambedkar in the index!

In his MA thesis at Columbia, Ambedkar undertook a historical study of the administration and finance of the East India Company (Jadhav 2015, 17). Ambedkar found that Indian incomes were flowing to Britain, much like Naoroji,⁴ and that the Company spent negligible amounts on public works (20–21); Ambedkar condemned, in his own words, “the entire fiscal system of the East India Company” for its poor developmental expenditure (20). Again, like Naoroji, Ambedkar criticized the “home charges” the Indian people were forced to pay England (21–22).

Ambedkar’s PhD thesis at Columbia University was titled *The Evolution of*

4) Ambedkar favourably cites the economic historian R. C. Dutt, who was Naoroji’s contemporary, in this work (Jadhav 2015, 19, 20, 23).

Provincial Finance in British India; while it was completed in 1917, it was published as a book only in 1925 (Jadhav 2015, 24). In it, he “deals with the Centre-State financial relationship in British India during the period 1833–1922” (24). It is a work in economic history. According to Ambedkar, *how* the tax revenue is raised is extremely important (25). In relation to this, the groups who could pay taxes were the “European civil servants” and the Indian “landlords” (26). By examining the distribution of government expenditure, Ambedkar noted that 52 to 80% was spent on “war service”; but note that the Indians who were employed in the military benefited; furthermore, the government did not spend on education (26).

Ambedkar identified a key problem in the colonial conception of finance: the “Imperial Government was responsible in law but did not administer the country, whereas the Provincial Governments administered the country, but had no responsibility in law” (Jadhav 2015, 27). Moreover, the preparation of the revenue budget rested with the Imperial Government while that of the expenditure budget rested with Provincial Governments. It is to redress such problems that the regime of Provincial Budgets was introduced in 1871. Although Ranade had written about Provincial Budgets earlier, Ambedkar did not see merit in the manner in which Ranade classified various financial regimes (27). Ambedkar endorsed the following maxim in his thesis: “Without sound finance no sound government is possible and without sound government no sound finance is possible” (as cited in Jadhav 2015, 33). Jadhav considers Ambedkar’s thesis to be “a pioneering piece of work” in terms of its contribution to public finance and claims (but without any textual evidence) that the “analytical formulation of the Finance Commission reports” is “derived” from it.

Ambedkar’s DSc dissertation at the London School of Economics was titled *The Problem of the Rupee: Its Origin and Its Solution*; while the initial dissertation was submitted for examination in early 1922, the examiners asked for revisions, and the revised one was submitted in August 1923 (Jadhav 2015, 38–39). And it was published as a book in 1923. Although in this study, Ambedkar worked on monetary economics, the approach was similar to that found in his Columbia thesis. That is, he adopted a historical approach to study monetary issues. In particular, he studied the evolution of the Indian currency from 1800 to 1893. Ambedkar favoured the gold standard and argued against the gold-exchange standard proposed by Keynes in his 1913 treatise *Indian Currency and Finance* (48). In this work, Ambedkar also examined the impact of discount rate fluctuations on business investment and commodity prices (44).

In Part 3 of the book, Jadhav discusses Ambedkar’s views on Dalit issues, agriculture, industrialization, Marxism, among others (Jadhav 2015, 55). There is much work left to be done in situating Ambedkar’s economics in relation to the then existing ideas; in Jadhav’s book, such intellectual contextualization is absent, and it manifests itself also in the references, which are less than 20 in number (245–46). Thus, it might be more appropriate to treat Jadhav’s book as an anthology on Ambedkar’s economic

thought. It is imperative that historians of economic thought undertake both historical *and* rational reconstructions of Ambedkar's economics.

Chandrasekaran (2015, 328) highlights the familiarity of Ambedkar with “the works of Carl Menger” but this does not imply anything. According to Chandrasekaran (329), “[m]any of his ideas reflected a path-breaking interest in the Austrian school of economics”. However, we are not provided with any textual evidence in support of this claim. Instead, more such claims are advanced: “Taking into account the Hayekian knowledge problem, Ambedkar advocated an absolute form of decentralized planning” and that his “theory of free banking was built on Menger’s works” (329). While it is true that Ambedkar favoured decentralization, he was a strong advocate of government-led public welfare and suggested taxation as a way to reduce economic inequality—therefore rejecting Chandrasekaran’s claim (for a detailed account, see Chikoti 2021). For Ambedkar, “[t]o say that individuals make up society is trivial; society is always composed of classes” (as cited in Kumar 2020, 38). Ambedkar’s methodological holism is inconsistent with the Austrian school’s adherence to methodological individualism. Moreover, as Kumar notes, capitalism, according to Ambedkar, is the “dictatorship of the private employer” (as cited in Kumar 2020, 48).

Kumar (2020) examines Ambedkar’s views on caste and land relations across his many writings and speeches and provides ample textual evidence in support. There is discussion on the link between land and status/dignity, land and taxation, the social power of land, caste, the caste-landlessness link in agriculture, industrialization and agriculture, caste and agricultural markets.

3. J. C. Kumarappa

The economic thought of Kumarappa is outlined and explained in detail in Govindu and Malghan (2016). In Govindu and Malghan’s words, “Fashioned as an intellectual biography, this book is an exercise in rehabilitation” (Govindu and Malghan 2016, 2). Kumarappa’s 1951 book *Gandhian Economic Thought* remains an important volume in the history of Indian economic thought. Born into a Tamil Christian family, Kumarappa was trained as an accountant in London⁵ and studied public finance at Columbia University (under the supervision of Seligman, who was also Ambedkar’s doctoral supervisor at Columbia). The key contribution of Kumarappa that emerges from this work is that of articulating a “moral political economy”. As the authors put it, in Kumarappa, the “values of *satya* and *ahimsa* [are] applied to political economy and economic philosophy” (3). Kumarappa both developed “Gandhian perspective on economic questions” and “directly influenced Gandhi’s own understanding of economic issues” (3).

Kumarappa “established a dialectical relationship between theoretical insight and practical experience”—a “theory-praxis dialectic” in the words of Govindu and

5) After completion of his chartered accountancy internship from 1913 to 1918, Kumarappa was made a partner in an accounting firm, thereby acquiring the title ‘Esquire’ in 1918 (Govindu and Malghan 2016, 13).

Malghan (2016, 3–4). Critical of large-scale industrialization, both of the capitalist and communist varieties, Kumarappa was “a pragmatic champion of the agrarian economy” (5). Viewing machinery as a labour-saving device and a means of exploitation, Kumarappa did not see its economic merits in a labour rich country like India but he thought it could be beneficial if it increased, in his own words, “the personal efficiency of the individual” (104). Kumarappa argued that we should revitalize decentralized rural production units and arrangements, not shun them entirely for large-scale (centralized) production (Govindu and Malghan 2016, 106).

Kumarappa obtained a BA degree in business administration from Syracuse University, in one year; for his BA thesis, he explored “the fiscal consequences of income-tax exemptions”, more generally, the “distributive implications of tax policies” (Govindu and Malghan 2016, 17–18). In early 1928, Kumarappa moved to Columbia University to pursue an MA in public finance where he worked under Seligman, an authority on taxation (19). His MA thesis *Public Finance and India's Poverty* was published in 1930 (22, 24, n.23); in it, Kumarappa argued that India's public finance policy furthered imperial interests and not that of Indians because funds were not left for public works and home charges had to be paid (24).

It is interesting to note that both Ambedkar and Kumarappa studied public finance with Seligman at Columbia. And, while Ambedkar raised criticisms against Keynes for his work on *Indian Currency and Finance*, Kumarappa was critical of Keynes's *The Economic Consequences of the Peace*.

Govindu and Malghan write that Kumarappa read Veblen's *Theory of the Leisure Class* and was influenced by Veblen (Govindu and Malghan 2016, 22). Later in the book, they write that Veblen “exercised great influence on Kumarappa's own thinking” (83; also 113). For the authors, Veblen “vigorously argued that all human activity is undertaken with a purpose in mind, in other words, it is teleological” (83). However adequate evidence is not provided to make the Veblen-Kumarappa connection. Similarly, their discussion of Kumarappa's criticism of Say's Law is a stretch; they posit that demand creates supply in his work based on his statement “necessity is the mother of invention” and from his moral political economy (100). Kumarappa advocated “local production for local consumption” (117); Govindu and Malghan strangely assert that “[o]nly in a localized economy could the violence inherent in the operation of Say's Law be neutralized” (118).

Kumarappa “rejected the arguments of Ranade and others who held that the remedy for India's problems lay in its rapid industrialization” (Govindu and Malghan 2016, 25). Moreover, he was critical of Indian railways and the land revenue policy (25–26). For Kumarappa, “colonial monetary policy” played an important role in India's exploitation (27); for instance, the rate of conversion between the British Pound and Indian Rupee was fixed by the British in their favour (62).⁶⁾

Gandhians at Gujarat Vidyapith tasked Kumarappa to undertake a survey to

understand the situation of Indian villages because the academic studies supervised by the English and the 1928 Royal Commission on Agriculture did not pay attention to the pressing nationalist concerns such as land revenue and taxation (Govindu and Malghan 2016, 43). Out of the families surveyed, 60% of them were “unable to pay the [land] dues on time” (45). Kumarappa’s position on mechanization in agriculture, according to Govindu and Malghan, was a nuanced one which took the context seriously (47). This contextual understanding is visible in the following instance as well: while Kumarappa was opposed to large-scale industrialization and centralization, he acknowledged their need in the case of railways, irrigation, posts and telegraphs, although he maintained that the railway infrastructure was excessive (61; also 102–3). Perhaps, this is why Govindu and Malghan write that “[w]hile rejecting an absolute faith in either the state or the market, Kumarappa wished to tread the middle ground” (348); it would have been useful had the authors outlined what Kumarappa’s “middle ground” looked like.

While at prison for participating in the Civil Disobedience, Kumarappa read a lot of articles and books on economics, “in particular” those by Seligman (Govindu and Malghan 2016, 65). A sample of the books he read would have been helpful to get a better understanding of his intellectual influences, but no such inventory is found in the book. During his imprisonment, Kumarappa worked on a textbook on public finance, but the manuscripts disappeared; he had written five of the proposed eighteen chapters (66).

The “dialogue between theory and practice” in Kumarappa’s thinking is most visible in his books *Why the Village Movement?* (1936) and *Economy of Permanence* (1945). According to Govindu and Malghan (2016, 82), he “was quite eclectic in borrowing and adopting ideas and theories that he encountered.” From a HET standpoint, it would have been helpful had the authors clearly assembled the various strands of Kumarappa’s influences.

For Govindu and Malghan (2016, 84), “[t]he novelty of Kumarappa’s ideas lie in the relationship he establishes between the moral and material worlds.” In particular, “material progress” alone is inadequate for a good life (92). Furthermore, “economic questions were not merely technical exercises” (96). That is, in the words of Govindu and Malghan, “Kumarappa envisaged society and economy as a *web of freedom*” (345). “Drawing from Gandhi’s philosophy, he assumes that individuals are endowed with the agency or ability to act” (85). Govindu and Malghan label this “moral political economy” (98). They argue that this idea of the “autonomy of the individual” is “an innovation in Indian thought” (85). But they are quick to point out that this is to be seen differently from the methodological individualism found in marginalist economics because he “critiqued the utilitarian theory of value” (although no clear textual evidence is provided to this effect) (85).⁷ Similarly, they argue that there is a “symbolic refutation”

6) More broadly, Kumarappa thought money was a problem because, as he put it in his article ‘Advantages of Barter’, it itself had “become a source of profit” (Govindu and Malghan 2016, 108).

of Mandeville's idea that maximizing individual pursuits results in a good life for all (86–87) but there is no textual evidence. Yet another instance of non-substantiation follows: “While he recognized the success of neoclassical economics and the Marginal Revolution in exploring economic activity, Kumarappa held that purely utilitarian arguments were false from a normative perspective” (90). But then he also based his argument on “marginal” costs (99).

Highlighting the difference between exhaustible and inexhaustible resources, Kumarappa “advocates that societies be built primarily on renewable flows of natural resources than by a profligate mining of their bequest of non-renewable resources, making him one of the earliest of ecological seers of the modern world” (Govindu and Malghan 2016, 88). People must have, in Kumarappa's own words, “greater co-operation and co-ordination with nature's units than any other living being” (as cited in Govindu and Malghan 2016, 89). After briefly mentioning the value theories of the Physiocrats and Marx, Govindu and Malghan write that, for Kumarappa, “nature was the ultimate source of value” (109).⁸⁾ The subsequent discussion on value theory is confusing: “Angered by this situation where exchange value had trumped use value, Kumarappa damned such economics for ‘enticing away honey from the mouth of the child to the overlaid tables of the rich’” (110). On the same page, the authors conclude that “[t]he dominance of exchange value as price resulted in a distortion of both wages and prices”. Both Kumarappa and the authors appear to confuse the role of exchange value in economic theory; value theory is essential for a theory of income distribution and for a theory of economic growth—as is visible from the work of classical political economists.

Kumarappa understood that a “keen competition to dispose of surplus production leads to a struggle for markets” (Govindu and Malghan 2016, 100). He identified a tendency to imperialism in the capitalist economic order: “whenever we see the seeds of centralized industries germinating we find also a soil ready for imperialism” (100).

According to Govindu and Malghan (2016, 348), “Kumarappa held that it was the role of the values and norms in society to promote the long-term view, that is, to lead to an economy of permanence”. This points to Kumarappa recognizing the value-ladenness of economics and to the fact that the economy is embedded in a wider society and ecology.

4. P. J. Thomas

While all the other economists discussed in this section have received some scholarly attention, P. J. Thomas has barely. Given this, E. M. Thomas's (to avoid confusion,

7) They repeat this point in the concluding chapter too: Kumarappa “unflinchingly insisted that societies had to reject the theory of economic individualism and material growth as the measure of progress” (Govindu and Malghan 2016, 346).

8) It would be interesting to see how Kumarappa's ‘value theory’ relates to the land-and-labour theories of value in Petty and Cantillon.

‘the author’ henceforth) 2019 book *The Story of P.J. Thomas: An Unsung Economist* is highly noteworthy.⁹⁾¹⁰⁾ The scholarly inattention partly has to do with the diminished importance of HET in both teaching and research (especially MPhil and PhD).

Thomas was a professor of economics at Madras University from 1927 to 1942; he was the first Economic Advisor in Ministry of Finance, Government of India;¹¹⁾ and he participated in conferences leading to the establishment of the United Nations and Bretton Woods institutions (Thomas 2019, 9). Thomas did his BA in Economics (Honours) at St. Joseph’s College in Thiruchirappally, affiliated to Madras University; in 1920, he got an international scholarship to study in Oxford (Thomas 2019, 22). He was elected president of the Indian Economic Association in 1937. He served as a member on committees looking into the Indian banking system and workers problems in the cotton textile industry.

Thomas’s doctoral thesis, much like Ambedkar and Kumarappa, was on public finance; his thesis was titled *Federal Finance in India: Being a Survey of India’s Public Finances from 1933 to 1939*, published by Oxford University Press in 1939 (Thomas 2019, 14).¹²⁾ But this was not his first book. His first book grew out of his BA thesis and was published in 1926 under the title *Mercantilism and East India Trade*;¹³⁾ in his own words, “[t]he object of this monograph is to trace the beginnings of protectionism in England” (14). In 1939, he also co-authored *Indian Agricultural Statistics* (15). In 1948, Thomas published *India’s Basic Industries* which examines India’s need for industrialization (15). He was prolific in his writing, which included both books and papers (for

9) This book was first published in Malayalam in 2014. There is a mention of Thomas in Rammohan and Ramakrishnan (2020, 22)—as Gilbert Slater’s successor to his pioneering village studies. For a brief account of village studies in India, see Rammohan and Ramakrishnan 2020, 19–22. The village economy, Slater observed, “was actually split into two: the caste village and the pariah village” (Rammohan and Ramakrishnan 2020, 21; on the village economy as an abstraction and as a site of social discrimination, see Thomas 2021a, 128–130). In Krishnamurty 2009, Thomas’s work is discussed.

10) While the author is to be lauded for quoting long extracts from Thomas’s work, the contextualization of the debate is unsatisfactory, and so a critical appreciation of Thomas’s contributions becomes difficult. Moreover, the book abounds in typos, and there is no index.

11) In 1937, C. Rajagopalachari, the Prime Minister of Madras State, appointed Thomas as his Chief Economic Advisor. In 1942, the British Indian government appointed him as the Economic Advisor, in which capacity he continued even after India’s independence (Thomas 2019, 26).

12) According to the author, “[t]his book is a standing testimony to his scholarship and is a highly recommended work by eminent economists” (Thomas 2019, 23). For the latter claim, he cites specific works of Y. V. Reddy (1941–) and C. Rangarajan (1932–), both of whom have served as governors of India’s central bank. Later, the author writes that Reddy considers Thomas as “the pioneer on the study of federal finance in India” (Thomas 2019, 88) but no explicit textual evidence is provided. In contrast, Ambedkar’s and Kumarappa’s works on public finance in India were published in 1925 and 1930 respectively. Most claims by the author are hagiographical and not supported by satisfactory evidence. Here is another instance: “His deep-rooted economic thinking with a sound theoretical base was of [*sic*] prophetic in nature” (Thomas 2019, 31).

13) The author informs us that he “could not locate a single copy of the book anywhere in India nor was it included in the syllabus of any Indian University in the study of economics” (Thomas 2019, 22).

an illustrative list, see Thomas 2019, 30–31).

According to the author, “[t]he much touted Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) was originally the brainchild of Dr Thomas who mooted it in one of his works during [the] early 1930s” (Thomas 2019, 13). An extract from his 1935 paper titled ‘A Plan for Economic Recovery’ makes this clear: “In selecting schemes, preference must be given to works that require a maximum of human labour and minimum of capital goods.... minor works like well [*sic*], tanks, canals, and village roads will put some money in to [*sic*] the pockets of the agricultural labours in upcountry villages and there is extensive room for the expansion of their consuming capacity” (as cited in Thomas 2019, 19).

For Thomas, the “reduction in the inequality in the distribution of income and proper education of the people are the two most important means to enhance the standard of living of the masses” (Thomas 2019, 16). He recommended cooperatives to reduce the indebtedness of the farmers (17). In his 1933 paper ‘The Trend of International Trade’, published in the *Indian Journal of Economics*, Thomas argued that “thorough going [*sic*] free trade is for the time being a thing of the past. Its advantages still remain, but the rest of the world pursued a policy of arrogant nationalism, not even the most powerful nation in the world can afford to maintain a purely free trade policies” (17; also cited in 81). Furthermore, he pointed out that “Great Britain held the hegemony of the industrialised west, and not only did she become the factory of the world, but also managed the shipping, banking, insurance and foreign exchange for a good part of the world” (79). As the author notes, “Thomas made these observations decades before the findings of Myrdal, Prebisch, and Singer” (79). Thomas called for “a planned system of world economy one [*sic*] in which the world’s dividend will be more equitably distributed between the manufacturing and industrial groups” (80). Therefore, he suggested “a policy of regional grouping” (17). For India, Thomas recommended “safeguarding her trade with a few steady markets and in developing the internal demand” (82).¹⁴⁾

The development of rural India, according to Thomas, depended crucially on the following institutions: village schools, cooperative societies, and village panchayats (Thomas 2019, 19–20). Inspired by the pioneering village surveys conducted by Gilbert Slater during 1916–17, Thomas “conducted the second survey of villages in India in 1936–37” (31). Thomas argues that “the high social and moral value of peasant proprietorship” ought not be neglected by economists or policy makers (43). He noted the dominance of upper castes in land ownership (44–45) and the “positive and direct relation between ownership of cultivated land and agricultural productivity” (46). For Thomas, “[t]he low productivity in Indian agriculture arises chiefly from certain imperfections in the system of land tenure, rural credit, and marketing” (59). In his 1935

14) Today, Sukhamoy Chakravarty (1934–1990) is widely considered to be the pioneer in underscoring the role of the “home market” (or “internal demand”) in economic growth because of his 1979 *Economic & Political Weekly* article ‘On the Question of Home Market and Prospects for Indian Growth’.

book *The Farmer and His Debt*, Thomas discusses inadequate incomes, money lending, maximum rate of interest, and farmer indebtedness (67–71).

In his 1939 paper ‘The Problem of Overpopulation’, Thomas makes the same point as Keynes made in his *General Theory*: “a section of the population of England is today under nourished [*sic*] and some are homeless. This only indicates the failure of the old capitalism. Wide disparities in income and a sorry waste of resources—this is the heritage of that capitalism” (Thomas 2019, 35). Thomas viewed the population/people not as a problem but as, in the author’s words, “assets” (35–38). Moreover, he underlined that unemployment and inequality exist in sparsely populated countries too (39). In a joint pamphlet written in 1942, Thomas offers the following insight, using Keynesian lingo: “People go half starved not because they desire to be slim but because they cannot get enough to eat. They have no purchasing power to make their demand effective” (51); the lack of employment is also underscored (52). The author approvingly cites Kumarappa in the subsequent discussion on the restrictive social practices in India and points out the similarity of his views with that of Thomas. In Thomas’s presidential address to the Indian Economic Association in 1937, he argued the central problem of the Indian economy is that “[t]oo small a share of the purchasing power resulting from production has been going into the hands of the producing and labour classes and too large a share into the pockets of certain classes which are economically sterile” (52). This, according to Thomas, has resulted in “underconsumption, which in turn has led to under production [*sic*]” (54). Although these extracts suggest a strong Keynesian viewpoint, it must be somewhat qualified because Thomas views saving as causing investment: “Owing to the largely unproductive use of savings year after year, little increase of investment has taken place, and the common people have been always underemployed and have been living on minimum requirements” (54).¹⁵ But in the paper ‘A Plan for Economic Recovery’ published in the *Indian Journal of Economics* in 1935, Thomas, drawing on the work by Keynes and Kahn,¹⁶ writes: “An increase of currency can only be effective if it is accompanied by an increase of spending power in the pockets of the people; and the spending power can be increased only by more extended employment. The demand for goods must be sustained and business activity must be revived, and this alone will set in motion an upward spiral. Such activity cannot come by private initiative in times like the present; The public authority must give the start, and then private agency will follow up” (as cited in Thomas 2019, 113).

According to Thomas, “the purpose of Economics is the material welfare of human society” (Thomas 2019, 60). For Thomas, it is important that Indian economists *also*

15) Interestingly, Thomas cites Malthus to make the point that too much saving is bad for economic growth (Thomas 2019, 122). But here too, the causation runs from saving to investment.

16) Thomas explicitly acknowledges their work in his paper: “The secondary employment resulting from public works has been mathematically analysed by Keynes, Kahn, and other writers” and cites Keynes’s 1933 book *The Means to Prosperity* and Kahn’s 1931 *Economic Journal* article ‘The Relation of Home Investment to Unemployment’ (as reproduced in Krishnamurty 2009, 190).

engage with issues surrounding them: “Not that economists should neglect the latest refinement of economic theory in the west nor the latest development in economic policy there; but only that, it would be futile to dabble in the high brow topics of solely western concern, without at the same time giving serious attention to the pressing questions at home that immediately concern us” (61). For Thomas, economists are *not* policy makers but economic scientists: “Let our economists... carry out systematic enquiries, and let our statesmen use them for shaping policies, in the most beneficial manner, and let the efforts of the government, universities and voluntary bodies be united in to [*sic*] one noble endeavour for the economic and social regeneration of our Country” (64–65).

5. Krishna Bharadwaj

The work of Bharadwaj continues to receive engagement in various strands of political economy across the world.¹⁷⁾ In the recent histories of Indian economic thought, Omkarnath 2005 and 2018 stand out for their biographical engagement with Bharadwaj’s intellectual life although the former is a biography of her 1963 review article. As Omkarnath (2005, 459) surmises, “she not only contributed famously to the Sraffian project, in its critical as well as reconstructive aspects, but also brought the ‘open’ structure of classical theory to bear on the problem of economic backwardness.” It is this engagement of Bharadwaj which, according to Omkarnath (2018, 35), resulted in the development of the concept of “‘inter-linked’ agrarian markets and the proposition that there is an asymmetry in the development of product and factor markets in backward economies” (for a discussion on this see Thomas 2021a, 181–82).

When Bharadwaj reviewed Sraffa’s revolutionary book *Production of Commodities by Means of Commodities (PCMC)* for *The Economic Weekly* in 1963, she was acquainted with Marx “from a cursory reading of *Capital* and with Smith and Ricardo mainly secondhand through history of thought compendiums” (as cited in Omkarnath 2005, 461). It is in Omkarnath (2005, 459) that Bharadwaj’s “first round of correspondence with Sraffa over the review is... published for the first time”.¹⁸⁾ Since “book reviews and review articles are often short-lived”, “[t]he longevity of Bharadwaj’s review article is striking” (460). It is of course unfortunate that the academic community’s engagement with book reviews has steadily diminished. Bharadwaj’s review was deemed by Sraffa “as excellent article, which will be of great help to many who have been puzzled by my book” (as cited in Omkarnath 2005, 463). She received compliments from Dobb and Joan Robinson too (Omkarnath 2018, 36).

After completing her MA in Economics in 1957 from Bombay University, Bharadwaj had the option of going abroad but her advisor D. T. Lakdawala (1916–1992)

17) See also Kanalu 2015; I have not engaged with this article because the author’s institutional affiliation was not Indian.

18) While Omkarnath (2005, 461) identifies only fourteen reviews of Sraffa’s book during 1961–63, Bellino (2008, 23) notes that “[m]ore than thirty review articles” were published “in the first three-four years after 1960”.

persuaded her not to because of “the urgent need to contribute to Indian economic analysis” (Omkarnath 2018, 35). Bharadwaj completed her PhD in Economics in 1960 from the Bombay School of Economics; her thesis was titled *Techniques of Transportation Planning with Specific Reference to Railways* (Omkarnath 2005, 463, n.8). Graduate students were exposed to “Keynes, Leontief and Lewis and an active group of researchers was seized of the problems and techniques of planning” (460). During her post-doctoral stint in the US, Bharadwaj “heard Joan Robinson in 1961, then on her famous visit to Cambridge, MIT” (460). According to Omkarnath, Bharadwaj was able to grasp “the true import of Sraffa’s propositions in their critical and reconstructive aspects” because she “had not yet developed a predilection for neo-classical theory and were sufficiently intrigued about the propositions” (461).

During the four years (1967–71) which Bharadwaj spent at Cambridge on a visiting research fellowship, she engaged with “(i) Marshall papers, (ii) capital theory, and (iii) Indian agriculture” (Omkarnath 2018, 36).¹⁹ Her research brought to light “Marshall’s self-conscious attempts to forge continuity in economic theory from Ricardo to the latter-day demand-supply-equilibrium theory” (37).

On her return, Bharadwaj joined Delhi School of Economics as a Visiting Professor; here, she shared a course on Sraffa’s economics with Anil Biswas (unknown birth/death years), and also lectured on capital theory (Omkarnath 2018, 37). In 1972, Bharadwaj joined Jawaharlal Nehru University, and soon founded the Centre for Economic Studies and Planning (CESP). Till her untimely demise in 1992, she remained at CESP. Bharadwaj taught a compulsory course titled ‘Classical Theories of Value and Distribution’ and an elective course titled ‘Capital in Theories of Growth and Distribution’ (Omkarnath 2018, 38). Omkarnath informs us that “Bharadwaj was commissioned to write a textbook on Classical Theories of Value and Distribution under the Radical Economics Series of Macmillan and she evidently completed draft introductory chapters” (38–39). From the perspective of HET as well as economic theory, it would be helpful if these “draft introductory chapters” are published.

Besides her regular teaching, research and administrative duties, Bharadwaj played an important role in organizing workshops and in cataloguing Sraffa’s manuscripts after his death. For instance, “Bharadwaj was an active contributor to the Trieste Summer School organized by Garegnani through the 1980s to bring together heterodox economists from all over the world” and “she was involved in the initial stocktaking and cataloguing of Sraffa manuscripts along with Pierangelo Garegnani” (Omkarnath 2018, 39). A book-length scholarly biography of Bharadwaj is waiting to be written; perhaps, this can come out of a PhD thesis in the history of (Indian) economic thought.

19) For a summary account of Bharadwaj’s contributions to Indian economic analysis, see Omkarnath (2018, 40–41).

III. Institutional Histories

Under institutional histories, I survey the development of Indian economics textbooks (Khodaiji 2019) and the origins of professionalization of economics in India (Rammohan and Ramakrishnan 2020);²⁰⁾ the latter discussion includes the central role played by the *Indian Journal of Economics* in fostering economic thinking in India (Krishnamurty 2016).

1. Indian economics textbooks

Universities were established in Bombay, Calcutta and Madras in 1857 (Khodaiji 2019, 462).²¹⁾ In 1909, the first Minto Professor of Economics at Calcutta University was appointed; Manohar Lal (1871–1949) was a former pupil of Alfred Marshall, and his “job was to lecture and encourage research on topics in Indian Economics”; and in 1906, the first recorded Indian economics textbook was published (Khodaiji 2019, 464). While some of the earliest textbooks were written by “British educationists and administrators”, the later ones were by “Indian nationalist economists” who questioned the applicability of classical political economy in the Indian context (465). Some of the authors of the first kind are Theodore Morison, William Harrison Moreland, and J. R. Cornah.²²⁾ Morison, like the Indian economists, found the economics in the textbooks ill-suited to Indian students because the examples were all from Europe (265–66). Similarly, Moreland “highlighted the historically contingent nature of economic laws to students” (466).

The two important paradigms which underpin the late nineteenth century textbooks on Indian Economics are classical political economy and the German Historical School. For instance, Ranade disapproved of the universalism connoted by the former paradigm and favoured the contextualism endorsed by the latter paradigm (Khodaiji 2019, 460).²³⁾ Based on the archival records of Calcutta University and Bombay University, Khodaiji points out that the curriculum included the work of classical political economists and marginalists; and by the 1890s, the MA Economics curriculum included Alfred

20) Although I do not engage with it here, Ambirajan (1996) is an important contribution.

21) In the twentieth century, the following universities were established (in brackets, the year in which economics courses began is mentioned): Patna University (1917), Osmania University (1919), University of Panjab, Lahore (1919), Lucknow University (1921), Dacca University (1921), and Aligarh Muslim University (1935) (Rammohan and Ramakrishnan 2020, 20).

22) Morison’s book was titled *The Industrial Organization of an Indian Province* (1906), Harrison’s *An Introduction to Economics for Indian Students* (1913), and Cornah’s *Simple Economics for Indian Schools and Colleges* (1912).

23) Too much contextualizing meant that the textbooks “were more descriptive than analytical in nature” (Khodaiji 2019, 464).

Marshall's *Principles of Economics* (460–61, n.4). The common thread linking the Indian economists, according to Khodaiji, is that they “questioned the applicability of classical political economy in India” (461). The Indian economists discussed by Khodaiji are Jadunath Sarkar (1870–1958), Pramathanath Banerjea (1879–1964),²⁴⁾ Vaman Govind Kale (1876–1946), and Radhakamal Mukherjee (1889–1968).²⁵⁾ As already noted in Subsection 1 of Section II, the applicability question applies to *all* schools of thought. Moreover, as I argue (Thomas 2021a, 195), after endorsing classical political economy and employing it to understand the Indian economy, “while the conceptual framework influences our selection of contexts, a contextual understanding enriches our conceptual understanding and also points out the limits of [all] economic theory.” Khodaiji's excerpt from Kale's textbook is explicit about the task of Indian economics: “Indian economics... suggests an application of economic laws to Indian conditions and partakes more of the nature of the art of Economics or of a normative science. It is, besides, national in this sense that it deals with the peculiar conditions of India and has in view the special requirements of the material advancement of its people” (Khodaiji 2019, 471).

Amongst the aforementioned group of Indian economists, there were several differences and debates. For instance, Sarkar did not engage with the applicability question. And while Sarkar advocated “modernization of Indian economic life”, Mukherjee criticized modernization for having “disrupted the indigenous village-based economy and social structure” (Khodaiji 2019, 469; for the debate around free trade and protection see also 473–74).²⁶⁾ In any discipline or field of study, debates and disagreements are omnipresent and also crucial for knowledge production; it is odd to find this crucial aspect missing in the contemporary mainstream economics textbooks which promote a monist perspective.

Khodaiji treats the textbooks on Indian economics as “a site of... political contestation” “between the colonial government and nationalist forces” and therefore contends that “[p]edagogy and politics were intimately connected” (Khodaiji 2019, 461). This is

24) Banerjea wrote a thesis on public administration in ancient India for his D.Sc. in Economics (awarded in 1916) from the London School of Economics (Khodaiji 2019, 469). It is noteworthy that Ambedkar, Kumarappa and Thomas had all written theses on public administration.

25) The “earliest textbook” by Sarkar, *Economics of British India*, was published in 1909; Banerjea's textbook *A Study of India Economics* was published in 1911; Kale's textbook *An Introduction to the Study of Indian Economics* was published in 1917; and Mukherjee's textbook *The Foundations of Indian Economics* was published in 1916. Another textbook discussed in Khodaiji 2019 is *Indian Economics: A Comprehensive and Critical Survey*, a two-volume book, published in 1928 by G. B. Jathar and S. G. Beri.

26) Khodaiji (2019, 476) rightly assesses Mukherjee's revival of the village economy on the basis of “the social hierarchies of caste” as “deeply problematic”. Rammohan and Ramakrishnan (2020, 16, 12) also highlight this problematic aspect and view Mukherjee “as the methodological powerhouse of Indian Economics” owing to his use of the method of “comparative and applied economics”. Chandrasekaran (2015, 330), without any critical comment, notes that “Mukherjee was an early proponent of the Indian family thesis” and “also a proponent of Institutional economics in India”.

a critical insight which, I think, applies to all textbooks and pedagogy across both time and space, and one that is often severely suppressed. Khodaiji provides evidence of Bengali and/or Marathi translations of the following texts: Jane Marcet's *Conversations on Political Economy*, J. S. Mill's *Principles of Political Economy*, Richard Whately's *Easy Lessons on Money Matters*,²⁷⁾ and Millicent Fawcett's *Political Economy for Beginners* (463).²⁸⁾ As Khodaiji rightly points out, “[s]tudents at the university level studied European political economists, reading texts abstracted from their own conditions” and that the “syllabi and texts were alien to the context and experiences of students” (463). Even “the officials of the Education Department felt that a better understanding of Indian economic, political and social conditions was required” (464).

Khodaiji is right in highlighting the complex relationship between economic ideas and policy. As she observes, by drawing on the arguments in Ambirajan (1978), “in its [classical political economy] filtration down to the public, students, and its role in framing economic policy, the corpus of ideas coalesced around a few principles considered to be universal, ignoring the nuanced views of Smith and later political economists” (Khodaiji 2019, 470). In fact, a satisfactory interpretation of colonial economic policies warrants a careful HET examination of the popular texts of classical political economists; otherwise, for instance, unfair criticisms will tend to be levelled against the economics of Smith—of the kind visible in Patel's biography of Naoroji (Patel 2020).²⁹⁾ As Khodaiji (2019, 470) writes, one can be sympathetic towards the “Indian nationalist intelligentsia” for being “less liable to acknowledge the qualifications built in by theorists” but the same sentiment cannot be extended to the post-independence scholarship. This discussion has a further implication: the history of Indian economic thought has to be done within the wider intellectual terrain of HET.

2. Economics in India: a disciplinary history

Rammohan and Ramakrishnan (2020, 4, n.1) classify their work as disciplinary history, as “social scientific studies of science” and treat them as “different from history of economic thought”. But since the making of the economics discipline in India is of interest to historians of economic thought, I have included this paper in my survey.

Although Rammohan and Ramakrishnan (2020, 6) write that Ranade's 1898 book *Essays on Indian Economics* demonstrated “considerable awareness of economic

27) Rammohan and Ramakrishnan (2020, 7) write that Whately's book was a “must-read in schools across India” “[d]uring the latter half of the nineteenth century”; they inform us that this book was translated into Malayalam and Bangla; the first Malayalam translation was done by Anglican missionaries in Travancore in 1862. The first Bangla translation by Rajkrishna Raychowdhury [unknown birth/death years] ran into more than ten editions; the twelfth edition incorporated the theoretical ideas of Mill and Fawcett which were “adapted to the requirements of this country” (as cited in Rammohan and Ramakrishnan 2020, 8).

28) However, Khodaiji does not mention the title of Fawcett's book in her article.

29) Khodaiji is also careful in her analysis when she points out the Marshallian influence on the 1928 Indian economics textbook by Jathar and Beri, mentioned in note 25.

theory”, there is no textual evidence or argumentation in support of this claim. Ranade proposed “Indian Economics” primarily to incorporate Indian specificities such as the institutions of caste and the family into economics (for a brief discussion on this see Thomas 2021a, 194).

Like Khodaiji (2019), Rammohan and Ramakrishnan (2020, 6) also make the connection between the “study of economics” and India’s political needs; in particular, Indian nationalists needed economic knowledge to counter the claims made by colonial administrators. Many of these colonial administrators received their economics education from the East India College at Haileybury; and from “the 1870s, Trinity College, Dublin offered special courses in political economy for students preparing for Indian Civil Services examination” (Rammohan and Ramakrishnan 2020, 7). The political role played by Whately’s book, according to the authors, was the following: “While in the metropolis Whately’s book was an instrument of social control of working classes, in the colonies, by justifying both capitalism and colonialism, it served to control the masses at large” (8). It would be fruitful to undertake a historical study of mainstream economics textbooks, especially microeconomics textbooks, and examine whether and to what degree they served as an “instrument of social control of working classes”.

While the Indian Universities Commission 1902 “supported the then practice of offering political economy together with history”, it also “insisted on introducing political economy as an optional for BA”; and it recommended instituting research in the stream of “history, political economy, and political philosophy” and consequently Calcutta University awarded its first doctorate in economics in 1911 (Rammohan and Ramakrishnan 2020, 9). It is worth quoting from the Commission because they were also concerned with the applicability question: “the study [of political economy] might be made more intelligible and instructive if attention were directed to the economic conditions with which the students are more familiar, and if they were encouraged to investigate in a scientific manner the economic problem of India” (as cited in Rammohan and Ramakrishnan 2020, 13; I explicitly address the applicability question in Thomas 2021a, 192–95).

Rammohan and Ramakrishnan (2020, 9) briefly mention the professional contributions made by European economists to Indian economic thought especially because “the available histories of Indian economic thought fail to acknowledge the contributions of European economists who taught and researched in India, especially those who did not subscribe to the Indian nationalist view of the economy”: C. J. Hamilton (Calcutta), Herbert Stanley Jevons (Allahabad; see also below), Patrick Geddes (Bombay), and Slater (Madras).³⁰⁾

30) In the light of student movements seeking curricular changes after the 2008 Global Financial Crisis, it is interesting to read that Slater in 1909 “joined Ruskin College as Principal, immediately after a long-drawn students’ strike, which had demanded, among others, the inclusion of Marxist political economy in the curriculum” (Rammohan and Ramakrishnan 2020, 13, n.10).

In addition to documenting the teachers of economics in Indian universities, Rammohan and Ramakrishnan (2020, 10) also list some of the early economics journals: *The Indian Economist*, *Sarvajanic Sabha Journal*, *The Calcutta Review*, *The Indian Review*, *The Social Service Quarterly*; and Malayalam journals *Vidyavinodini* and *Lakshmi Vilasam*; it was in the latter's pages that "[p]ioneering analyses of landlordism in Malabar and coir-spinning industry in Travancore appeared".

After discussing economics textbooks, teachers and journals, Rammohan and Ramakrishnan (2020, 10) go on to discuss professional associations and bodies. According to the authors, the "first professional body of economists to be formed was the Madras Economic Association" in 1913;³¹⁾ later, similar associations were formed in smaller Tamil towns such as Madurai and Kumbakonam. The Bengal Economic Association was founded in 1916 to promote economics in India by (i) "the publication of a journal", (ii) "the organization of periodical conferences", and (iii) "building up of an Economic library" (Rammohan and Ramakrishnan 2020, 10). In 1919, the Bengal Economic Association transformed itself into the Indian Economic Association, and its journal followed suit: *The Bengal Economic Journal* to *The Indian Economic Journal*.

Rammohan and Ramakrishnan (2020, 15) divide Indian economics into three schools: "agricultural school", "industrial school", and "walking on three legs school". And they provide long extracts in support of their tripartite classification from Radhakamal Mukherjee, Palme Dutt (1896–1974), B. R. Ambedkar, V. G. Kale, and Padmanabha Pillai (1894–1977). I find the 'school' label a bit too strong; moreover, it undermines the structural interdependence that exists between agriculture and manufacturing sectors.

According to Rammohan and Ramakrishnan (2020, 22), "the rising dominance of neoclassical economics" caused the erosion of "the historical-sociological traits of Indian Economics"; other reasons mentioned by the authors are (i) the "growing specialization in the Indian academia" which led to historical and sociological aspects being studied within History and Sociology departments and (ii) the exit of colonial forces and the consequent slackening of the nationalist sentiment. There is inadequate substantiation of both these claims in the paper, and it would be interesting for HET scholars to carefully examine the reasons for the decline in 'Indian Economics'; in a way, some of its concerns continue to be researched and taught within the domains of 'Indian Economy' and 'Economic Development'.

As a background to discussing the role played by *Indian Journal of Economics (IJE)* in the institutionalization of economics, Krishnamurty (2016, 622–25) briefly mentions other journals which were published before: *Modern Review* (Calcutta), *Indian Review* (Madras), *Hindusthan Review* (Allahabad), *Swartha* (Banaras), *Journal of the Chanakya Society* (Patna), *Journal of the Madras Economic Association* (Madras), *Mysore Economic Journal* (Bangalore), *Bengal Economic Journal* (Calcutta) and *Journal*

31) This association published the *Journal of the Madras Economic Association*, which received mention in the third issue of the 1920 volume of *American Economic Review* (Rammohan and Ramakrishnan 2020, 10, n.8).

of the *Indian Economic Society* (Bombay). Historians of economic thought ought to study the lives of journals because they “play an important role in directing research and analysis” (Krishnamurty 2016, 622). *IJE* started in January 1916 with an aim “to supply a long felt need by providing a medium for the publication of articles on Indian Economics” and it “was also to be the vehicle for research for the Allahabad University Department of Economics” (625). The first editor of the journal was H. S. Jevons, the son of the famous marginalist economist W. S. Jevons; Jevons wrote several articles on the teaching for economics for the journal (626). Other non-Indian contributors included C. D. Thompson, Slater and Findlay Shirras (627). Krishnamurty highlights the work of the following Indian economists in *IJE* for their ‘original’ contributions: Daya Shankar Dubey (unknown birth/death years) on the Indian food problem; Radhakamal Mukherjee on ecological issues in India; Gyanchand (1893–1983) on the importance of planning for the Indian economy; P. J. Thomas’s estimation of the employment multiplier for India; and V. K. R. V. Rao (1908–1991) on disguised unemployment (Krishnamurty 2016, 628–31; many of these papers are reprinted in Krishnamurty 2009).

IV. Conceptual Histories

In this section, I discuss the recently published HET work that engages with and pushes the boundaries of two key economic ideas. First is the idea of classical political economy, which has been a significant object of criticism in Naoroji and many others. However, after the publication of Piero Sraffa’s *PCMC* in 1960, which revived classical political economy, Indian economists such as Arun Bose (1919–2003), Krishna Bharadwaj (already discussed in Section II), Sukhamoy Chakravarty, Gautam Mathur (unknown birth/death years), P. R. Brahmananda (1926–2003), and V. M. Dandekar (1920–1995)³²⁾ contributed to the conceptual and contextual development of classical economics. Although all these economists made important contributions to India’s economic thought, their inclusion in this paper owes more to the recent attention given by the historians of economic thought; for instance, a special issue of *Artha Vijnana* was devoted to exploring the ‘Indian Reception of Piero Sraffa’s Economic Contributions’ in 2018. The second engages with the idea of development found in the work of Indian economic thought, ranging from *Arthashastra* to modern times (Omkarnath 2016). In Krishnamurty (2009), an anthology of largely forgotten Indian contributions to development economics is available. The concept of development is thoroughly enriched by the contextual aspects highlighted by the Indian economists.

32) Apte (2018, 62) discusses Dandekar’s analysis of the link between income distribution and the terms of trade; the latter, i.e., a particular expression of relative commodity prices, “was apparently linked with Sraffa’s approach”.

1. Classical political economy: conceptual and contextual engagements

Arun Bose did his Tripos from Cambridge where he was influenced by Dobb and Sraffa (Thomas 2018, 17). After closely engaging with *PCMC* between 1963 and 1965, Bose's various publications in the late 1980s employed the "Sraffian-Marxian approach to explain India's socioeconomic condition" (18). Bose's engagement with *PCMC* revolved around discussions on constant returns to scale and the role of consumers' demand in relation to Sraffa's value theory. I find Bose's latter discussion problematic because "Sraffa's *PCMC* contributes to value theory and not to the theory of activity levels or economic growth" (27). This is because of the analytical separability of the price and quantity systems in classical political economy. Thomas (2018) focuses on Bose's conceptual engagement and does not deal with his application of the Sraffian-Marxian approach to the Indian economy.

Ali (2018) discusses Sukhamoy Chakravarty's 1961 review of *PCMC*, his mathematical understanding of *PCMC*, his search for an alternative growth theory taking inspiration from Sraffa, von Neumann, Marx and Schumpeter, and his attempts to apply classical political economy principles to the problems of India's development. After completing his MA in Economics from Calcutta University in 1957, Chakravarty completed his PhD at the Netherlands School of Economics under the supervision of Jan Tinbergen (Ali 2018, 45). In the 1960s, Chakravarty was concerned with the economics of planning, in particular the question of optimum savings. In the 1970s, he was closely involved with the Planning Commission, and he emphasized the need to invest in agriculture and wage-goods as opposed to the earlier focus on capital-goods industries (46). Chakravarty strongly advocated the teaching of input-output analysis because of its "rich conceptual texture as well as empirical relevance" (48). Chakravarty, in "the later phase of academic life... was particularly attracted to classical political economy, especially its openness to history and institutions" (56–57).

For Gautam Mathur, "PCMC provided a foundation upon which to build an alternative analysis of growth, output, employment and development" (Walling 2018, 73). Critical of the marginalist aggregative steady-state positions, Mathur introduced "disaggregation through von Neumann system of dynamic processes, and synthesizes it with Sraffa system of analysing value and distribution" (75). Mathur's efforts were directed at identifying the "golden age" rate of growth so that underdeveloped countries could "formulate a strategy" to "transition" to that golden age (84). In all, Mathur synthesized the theories of Sraffa, von Neumann and Robinson and applied it to questions of development (88).

2. Development: ideas from India

According to Krishnamurty (2009, xiii), the following Indians contributed "to development economics, well before the subject became a major part of mainstream economics in the UK and the US": V. G. Kale, B. R. Ambedkar, Brij Narain (1888–1947),

Jehangir C. Coyajee (1875–1943), L. C. Jain (1925–2010), C. N. Vakil (1895–1979), Rajani Kanta Das (1881–?), Radhakamal Mukherjee, Gyanchand, P. J. Thomas, P. S. Lokanathan (c.1894–1972), V. K. R. V. Rao, and B. P. Adarkar (1910–1998). They engaged with “several subjects like the nature of underdevelopment and alternative paths to development, surplus labour and disguised unemployment, the limitations of ‘trickle-down’ theory, environmental economics, women in development, employment and conflict, trade policy, and the role of the state” (Krishnamurty 2009, xxi).

Indian economists published articles in international journals such as the *Economica*, *Economic Journal*, *Quarterly Journal of Economics* and *Review of World Economics* (Krishnamurty 2009, xiv). “Indian economists”, as Krishnamurty rightly puts it, “did not change the foundations of economics in India; they did, however, produce new work which led to a deeper understanding of Indian problems” (xix).

According to Omkarnath (2016, 213), there is “a well-developed system of political economy” in *Arthashastra*, “dated no later than AD 150”.³³ Most scholars rightly view it “as a manual of statecraft and occasionally as a manual of economic administration” (214). For Omkarnath, *Arthashastra* satisfies “every requirement of a developed system of political economy”; this is primarily because wealth includes “grains, gold, forest produce, and labour” and is understood as an outcome of economic activities such as “agriculture, cattle-rearing and trade” (as cited in Omkarnath 2016, 214). But surely this is not sufficient to ascribe to *Arthashastra* “a well-developed system of political economy”. In *Arthashastra*, there is a description of wealth but no explanation/theory is forthcoming. The why-question is not really posed to economic variables such as prices, wages, production, etc. Omkarnath points out the “clear identification and positioning of the social classes and ranks in relation to the economic system, a central feature of any system of political economy” in *Arthashastra* (214). The caste system in the text “follows from the ancient *varna* system, which has the sanction of the Hindu *Dharmashastras* (which are spiritual, moral and temporal laws)” (Omkarnath 2016, 214, n.13). Such “a division of labourers” (to use Ambedkar’s phrase) is closer to the idea of “ranks”, which are rigid and do not permit inter-generational mobility as opposed to “social classes” which are more flexible and contain the *possibility* of inter-generational mobility. Insofar as *Arthashastra* contains economic ideas based on the Hindu caste system and agricultural production, it can be viewed as a contribution to ‘Indian’ economic thought.

Naoroji’s economics of imperialism may be viewed as a contribution to the theory of (under)development. Additionally, the extraction of the economic and moral surplus from India helped Britain’s development (for brief discussion on this see Omkarnath 2016, 218–19). Citing Ganguli (1977), Omkarnath (2016, 219) highlights the importance of contextualizing economic ideas through the work of G. V. Joshi (1851–1911) who “initiated special studies in Western India to investigate certain analytical issues

33) The first English translation of *Arthashastra* was published in 1915 (Omkarnath 2016, 214, n.10).

arising with regard to the agrarian economy, such as the meaning of ‘rent’, the diversity of labour-hire and wage systems, estimates of costs, productivity and so on”. Again, by drawing on Ganguli (1977), Omkarnath (2016, 220) claims that Ranade “anticipated Arthur Lewis when he wrote: ‘With an unlimited supply of cheap labour, we could go far’. This is insufficient textual evidence to make such a claim. The arguments of the nationalist economists, according to Omkarnath, “were based on careful analysis of facts, a thorough understanding of English political economy and a critical examination of colonial policies” (220).³⁴⁾ While the first and the third claims are justified, there is insufficient argumentation and evidence in Omkarnath (2016) to support the second claim. In fact, as it was argued in Section II, Naoroji’s understanding of English political economy is solely based on Mill, and this certainly does not constitute “a thorough understanding of English political economy”.

Omkarnath (2016, 220) briefly discusses the contributions of A. K. Dasgupta (1903–1992), V. K. R. V. Rao, D. R. Gadgil (1901–1971) and B. R. Ambedkar to “issues of development and policy”, but the discussion is very descriptive, and so the addition to the conceptual understanding of development is unclear. Subsequently, Omkarnath (2016, 222–23) outlines the “Indian contributions to development economics after 1950”; specifically, he mentions Mahalanobis (1893–1972) and his “strategy of industrialization” via expanding the capital-goods sector, the dissent by C. N. Vakil (1895–1979) and Brahmananda for whom the route to development was via expanding the wage-goods sector, and the critique of “planning without a policy frame” by Gadgil.

Omkarnath (2016, 223) rightly points out that the Indian economists K. N. Raj (1924–2010), Krishna Bharadwaj, Amit Bhaduri (1940–) and Utsa Patnaik (1945–) contributed to developing a “Theory of the Agrarian Economy”. Together, these “studies brought out the complexity of a system of overlapping modes of production within agriculture” (Omkarnath 2016, 223). Omkarnath (2016, 224) also favourably mentions the “broad ‘structuralist’ approach to study India’s macroeconomy” advanced by Mihir Rakshit (1936–) and Amit Bhaduri; and Mahalanobis’s contributions to statistical theory (especially sampling theory) as well as P. N. Mathur’s (1925–1993) “use of input-output methods in Indian economic analysis”. But in all these ‘Indian’ contributions to development, they employ the conceptual frames developed by Western economists such as Smith/Marx/Keynes, so it remains unclear as to what “Indian development thinking” means.

Krishnamurty (2008, 54) discusses the Indian antecedents of disguised unemployment and surplus labour, key ideas in development economics. He traces the first

34) According to Sen (2019, 259), Naoroji’s economic ideas “can be viewed as precursors of heterodox ideas having a close resemblance to what came up later as Keynesian macroeconomic analysis of effective demand”. However, this claim cannot be upheld because there is no clear understanding of autonomous and induced elements of aggregate demand in Naoroji. Other economists briefly discussed in Sen (2019) include Ranade, Jehangir Coyajee (1875–1943), B. P. Adarkar and J. C. Sinha (1893–1954).

use of the concept of idle labour to James Caird, who has a good knowledge of British agriculture, and was “a member of the [1880] Indian Famine Commission”. Subsequently, Krishnamurty finds this idea in the works of Kale, Mukherjee and Ambedkar, and suggests that Ambedkar was perhaps influenced by Mukherjee (56).³⁵⁾ Krishnamurty (2008, 57) challenges the popular claim that it was Rosenstein-Rodan (in 1943) who first applied Joan Robinson’s 1937 idea of ‘disguised unemployment’ to a developing economy. According to Krishnamurty (2008, 57–58), the credit ought to go to V. K. R. V. Rao who had used this idea in a 1938 paper. But the idea of surplus labour was already visible in the work of Ambedkar in 1918. For A. K. Dasgupta, “even if we have full employment in the Keynesian sense, a large volume of unemployment will still remain in the physical sense.... It is there because the maximum capacity of capital equipment is inadequate to fully employ labour” (as cited in Krishnamurty 2008, 60). According to Krishnamurty, Dasgupta anticipated Lewis’s famous 1954 article on surplus labour where economic development was constrained “not by effective demand or labour supply, but by the need for complementary capital” (Krishnamurty 2008, 59).³⁶⁾ In 1918, Ambedkar had made a similar point and strongly recommended industrialization (55). One of Krishnamurty’s concluding points—“[u]nlike the proponents of balanced growth, Nurske and Rosentein-Rodan, Indian economists do not appear to have foreseen problems on the demand side” (60)—is not correct because P. J. Thomas did write about aggregate demand problems.

In Bharat (2019), there is a discussion of British and Indian women’s engagements with colonialism and patriarchy. While Cornelia Sorabji (1866–1954) supported British rule in India, Sarojini Naidu (1879–1949) presented a powerful critique. Like Kumarappa, Naidu “highlighted India’s tradition of administration through village councils as an institution to be revived and strengthened” (Bharat 2019, 276). After Bharat (2019), where she engages with people not usually discussed within Indian economic thought such as Bhikaji Cama (1861–1936) and Dayani Priyamvada (“a participant in the Telangana peasant struggle”; unknown birth/death years) besides Sorabji and Naidu, there is a clear need for scholarship in the history of feminist Indian economic thought.

V. Conclusion

Rather than summarizing the key ideas from the foregoing discussion, I shall outline some points that emerge from the critical survey for present and future historians of

35) But no further argumentation is provided, nor is there any explicit textual evidence in support of this claim.

36) For Dasgupta, surplus labour in agriculture does not make the marginal product of labour tend towards zero as in Nurkse and Lewis but it would fall “down to the marginal disutility of labour, which presumably was positive” (Krishnamurty 2008, 60). An examination of the marginalist underpinnings in Dasgupta would make for an interesting history of Indian economic thought project.

(Indian) economic thought.

(i) Most of the biographical accounts are hagiographical. A critical biography warrants a thorough understanding of the history of economic thought, especially the different paradigms in economics. For instance, it is up to the historians of economic thought to examine the sources through which Naoroji and Kumarappa (and Ranade) understood classical political economy. For instance, where are the colonial administrators getting their dose of classical political economy from? Is it from the mainstream understanding? Since the mainstream tends towards being monist, how does a pluralist idea of economics alter our reading of Indian economic thought during colonial times? Moreover, since Ambedkar draws his ideas from multiple paradigms, the historian of economic thought must be able to highlight the ones that were indelible on his thinking, both explicit and implicit; the assessment must not stop at noting that the economist was eclectic. Finally, there ought to be appropriate textual evidence provided in support of the claims that are made regarding their theoretical standpoint and claims to be forerunners of certain ideas; the latter especially must be very carefully and critically done.

(ii) What is Indian economic thought? Except Bharadwaj, all the other economists surveyed in Section II studied economics in non-Indian universities. And Bharadwaj spent some years of postdoctoral study in the US and UK. And several economists discussed in the other sections also studied abroad. If so, should we eschew 'Indian' and call it the history of economic thought? From the survey, I see two ways in which the economics may be said to be 'Indian'. First, when global economic ideas/concepts are *applied* to make sense of the specificities of the Indian context. Second, when the specificities of the Indian context *produce* (or modify) global economic ideas/concepts. Thomas's application of Keynesian ideas to the Indian economy is an example of the first, and Bharadwaj's concept of inter-linked markets is an example of the second. Thus, while there is a need to develop economic ideas with sufficient generality, their sloppy application to all local contexts must be resisted; the translation of theory to policy is an extremely difficult and complex enterprise.

(iii) Within Indian economic thought, there are differences in the domains of theory and practice/policy. For instance, while Ambedkar and Thomas strongly favoured industrialization, Kumarappa did not. And not all Indian economists were critical of British rule. And while most of them engaged with agrarian themes, only a very few of them highlighted the problematic role of power structures, notably caste and patriarchy, within village economies. Therefore, the ideas of Kumarappa and Ambedkar or Kumarappa and Bharadwaj may not be easily reconciled; this is also a fertile site for HET studies.

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Recent Histories of Indian Economic Thought: A Critical Survey

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In this paper, I survey recently published (2000 to 2020) books and articles devoted to the history of Indian economic thought. The survey is not an exhaustive one, and this was done in order to ensure both breadth and depth of the coverage. In terms of breadth, I critically survey intellectual histories, institutional histories and conceptual histories. More specifically, I examine the economic ideas of D. Naoroji, B. R. Ambedkar, J. C. Kumarappa, P. J. Thomas and K. Bharadwaj within intellectual histories. Under institutional histories, I briefly engage with the history of professionalization of the economics discipline in pre-independent India by focusing attention on economics textbooks, associations and journals. As part of conceptual histories, the contributions of Arun Bose, Sukhamoy Chakravarty and Gautam Mathur to the development of Sraffian political economy is discussed. Subsequently, there is an elaborate discussion on the various ways through which Indian economists contributed to the understanding of development by producing concepts and highlighting specificities of the Indian context. I end by noting the need for critical scholarship in the history of Indian economic thought.

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